ORDINARY MEETING

HELD AT COUNCIL CHAMBERS

On 27 November 2013

Commencing at 10.00 am

ORDINARY MEETING

WEDNESDAY 27 NOVEMBER 2013

Notice is hereby given that an Ordinary Meeting will be held at the Council Chambers, Sir Albert Abbott Administration Building, Gordon Street, Mackay on 27 November 2013 at 10.00am.

ORDER OF BUSINESS:

ITEM		PRECIS	PAGE
1.		ATTENDANCE:	3
2.		ABSENT ON COUNCIL BUSINESS:	3
3.		APOLOGIES:	3
4.		CONDOLENCES:	3
5.		CONFIRMATION OF MINUTES:	3
	5.1	ORDINARY MEETING MINUTES 20 NOVEMBER 2013	3
6.		BUSINESS ARISING OUT OF MINUTES OF PREVIOUS MEETING:	3
7.		MAYORAL MINUTES:	3
8.		CORRESPONDENCE AND OFFICERS' REPORTS:	4
	8.1	ORGANISATIONAL SERVICES MONTHLY REVIEW REPORT - OCTOBER 2013	4
	8.2	EXECUTIVE FINANCIAL PERFORMANCE REPORT TO 30 SEPTEMBER 2013 INCLUDING FIRST QUARTER BUDGET REVIEW	20
	8.3	EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013	32
	8.4	WATER & WASTE SERVICES MONTHLY REVIEWS - OCTOBER 2013	57

8.5	COUNCIL ADOPTION OF 2012-2013 ANNUAL REPORT	105
9.	CONSIDERATION OF COMMITTEE REPORTS:	272
9.1	DRAFT MINUTES MACKAY MATSUURA SISTER CITY ADVISORY COMMITTEE	272
10.	RECEIPT OF PETITIONS:	276
11.	TENDERS:	276
11.1	MRC 2014-017 PREFERRED SUPPLIER ARRANGEMENTS - ELECTRICAL FITTINGS AND CONSUMABLES	276
12.	CONSIDERATION OF NOTIFIED MOTIONS	279
13.	LATE BUSINESS:	279
14.	PUBLIC PARTICIPATION:	279
15.	CONFIDENTIAL REPORTS:	279
16.	MEETING CLOSURE	279
17.	FOR INFORMATION ONLY	279
17.1	DEVELOPMENT APPLICATION INFORMATION - 04.11.13 TO 10.11.13	279
APPENDIX / ATTACHMENTS		282

ORDINARY MEETING
AGENDA

1. ATTENDANCE:

2. ABSENT ON COUNCIL BUSINESS:

3. APOLOGIES:

4. CONDOLENCES:

5. CONFIRMATION OF MINUTES:

5.1 ORDINARY MEETING MINUTES 20 NOVEMBER 2013

THAT the Ordinary Meeting Minutes held on 20 November 2013 be confirmed.

6. BUSINESS ARISING OUT OF MINUTES OF PREVIOUS MEETING:

7. MAYORAL MINUTES:

8. CORRESPONDENCE AND OFFICERS' REPORTS:

8.1 ORGANISATIONAL SERVICES MONTHLY REVIEW REPORT - OCTOBER 2013

Author Director Organisational Services

Purpose

To review the attached Organisational Services Monthly Review Report for October 2013.

Operational Plan Linkage

Review the Organisational Services Monthly Review Report.

Officer's Recommendation

THAT the Organisational Services Monthly Review Report for October 2013 be received.

Attachments

1. Organisational Services Monthly Review Report for October 2013.

Organisational Services
Monthly Review Report > October 2013

Table of Contents

Executive Summary **3**

Department Overview **4**

Workplace Health & Safety 6
Innovation & Improvement 8

Review of Operations **10**

Asset Management 10
Financial Services 11
Governance 12
Human Resources 13
Information Services 14
Internal Audit 15
Procurement & Plant 16

Executive Summary

Director Organisational Services

Summary October:

- Asset Management implementation continues to have a major focus;
- Significant involvement with new Industrial Relations and other Legislation Amendment Bill 2013:
  - Analysing new Bill;
  - Consultation with Management Team and Joint Consultative Committee;
- Organisational Services Business Improvement Meeting;
- Audit Committee Meeting - November Meeting Agenda progressed;
- Supervisor Training Program;
- Worker's Compensation (LGW), Licence Renewal Audit occurred 21, 22, 23rd October;
- Information Services Projects Team have commenced building business requirements for tender of the wider area network communication solution as part of the ICT DRR Project;

Key Focus November:

- Asset Management;
- Information Services Projects;
- Internal Audit Meeting;
- Progress Review of New Industrial Relations and Other Legislation Amendment Bill 2013;

Dan McKinlay
Director Organisational Services

Department Overview

Department Main Operations

Asset Management	☐ Design and implement Strategic Asset Management Frameworks; ☐ Deliver better practice Asset Management outcomes with a whole of Council focus; ☐ Implementation of new Asset Management System;
Financial Services	☐ Budget; ☐ Long Term Financial Planning; ☐ Monthly Reporting; ☐ Accounts Receivable and Accounts Payable; ☐ Investment Management; ☐ Loan Management; ☐ Rates and Charges, Processing, Levying and collection; ☐ Business Support across Council; ☐ Statutory Reporting, e.g. Annual Financial Statements; ☐ NDRRA Financial Support;
Governance	☐ Manage statutory obligations pertaining to Right To Information Act, Insurance, Privacy Act, Public Interest Disclosure Act and Crime & Misconduct Act; ☐ Oversee Council's compliance with the broader legislative framework including the Local Government Act and Regulations including delegations, instruments of appointment, local laws, policy review and complaints; ☐ Ombudsman Enquiries;
Human Resources	☐ Enterprise Bargaining; ☐ Joint Consultative Committee; ☐ Drug & Alcohol Testing; ☐ Workplace Health & Safety; ☐ Payroll; ☐ Recruitment; ☐ Industrial Relations/Employee Relations Projects;

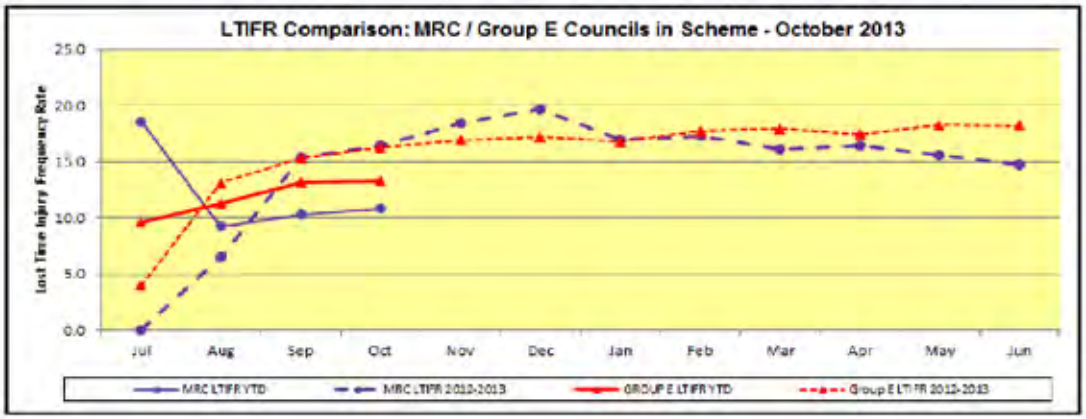
Mackay REGIONAL COUNCIL **Organisational Services** Monthly Review > October 2013

Information Services	Help Desk; Administration; Systems and Networks; Applications; GIS; Business Analysis; Projects, (Operational and Capital) Information Management;
Internal Audit	Internal Audit Committee; Internal Audit Investigations and reports;
Procurement & Plant	Tender and Contract Management; Procurement Operations (including Centre led purchasing); Fleet Management; Warehouse Operations - Mackay, Mirani, Sarina; Workshop Operations - Mackay, Mirani, Sarina;

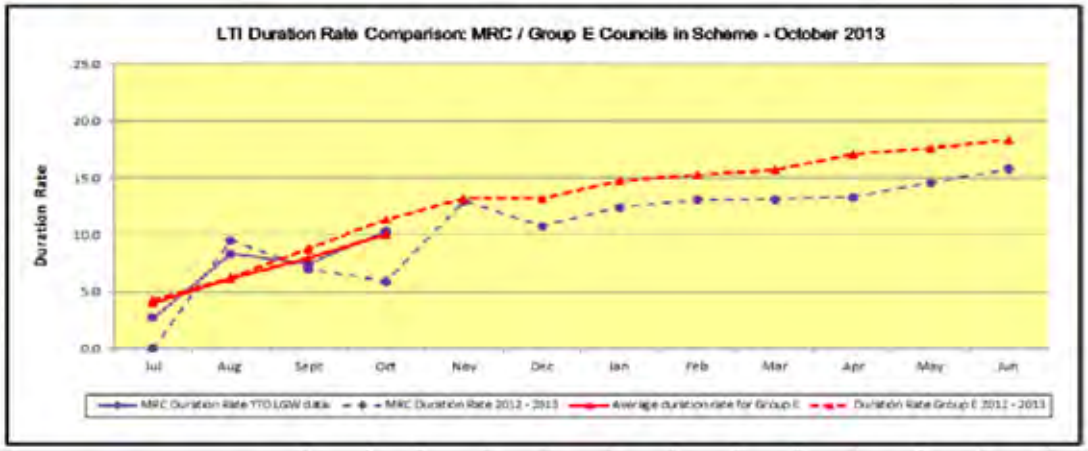
Page 5

Workplace Health & Safety

- Management of 11 Work Related compensation claims including 5 new claims with 2 claims being finalised. Management of 5 Non-Work Related Return to Work Programs with 2 new cases and 1 case being finalised.
- 43 Incident Reports received, recorded and distributed for comment (34 staff, 9 Non Staff Members).
- Provided 63 WH&S Inductions, 9 Staff, 51 Contractors and 3 Volunteers.
- Review and feedback on 5 Contractor (Civil Projects & WWS Infrastructure Delivery) Safety Management Plans.
- Participated in 14 Worksite Hazard inspections in the Parks and Environment, Civil Operations, Procurement and Plant, Health and Regulatory, Civil projects, WWS Infrastructure Delivery and WWS Networks work groups.



LGW Data: 2013 - 2014 Year To Date		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
MRC LTIFR YTD LGW Data.		18.6	9.3	10.3	10.8								
Group E LTIFR YTD (Councils with wages > $50 mil)		9.6	11.3	13.2	13.3								
MRC LTIs Cumulative		3	3	5	7								



LGW Data: 2013- 2014 YTD		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
MRC Duration Rate YTD LGW data		2.7	8.3	7.4	10.3								
Average duration rate for Group E (Councils with wages > $50 mil)		4.0	6.2	8.0	10.0								
MRC Days Lost: Cumulative		17	25	37	72								

Mackay REGIONAL COUNCIL **Organisational Services** Monthly Review > October 2013

Innovation & Improvement

Key Achievements

Organisational Services Business Improvement Team

Organisational Services Business Improvement Team, improve the efficiency and effectiveness of business processes delivered to the organisation.

Number of Business Improvement initiatives implemented during the September quarter:

Title	Stage
Review of Standpipe Hire process	Implemented
Financial Delegation Review	Implemented
Customer Access to Smart Forms	Implemented
GPS Tracking in the Waste Truck Fleet	Implemented

Change Initiatives

Project and Process Reviews currently active

Title	Stage
Australia Post Digital Mail Boxes	5%
Access to Rates Information on-line via e-Pathway	95%
Integrated EFTPOS-Pathway Payment Solution	75%
Ad Hoc Over the Counter Payment Processing	50%
e-Subscriptions to Newspapers/Corporate Magazine/Journal Subscription Review	75%

Asset Management

KPI - Data Collection and Valuations

- Buildings, parks, site improvements and waste valuations and condition ratings completed and loaded into asset register
- Buildings, parks, site improvements and waste spatial data uploaded following audit completion.
- Training commenced during October and November for buildings and parks asset custodians and asset team to maintain and utilise information.
- Water and Sewerage - Componentisation and hierarchy completed in conjunction with ADAC Project - data cleansing of both above ground and underground assets continuing with good preliminary results.

KPI - Asset Management Plans

- Buildings - Core asset management plan reviewed, system training undertaken to assist in development of advanced asset management plan.
- Parks - Core asset management plan reviewed, system training undertaken to assist in development of advanced asset management plan.
- Roads - Asset Management plan reviewed as being advanced, currently being updated with latest information - target date 30 June 2014.
- Water & Sewer - Draft plan populated with best information available at current stage, and being reviewed against existing plans for quality assurance. Work continuing on data cleansing and gap analysis for further improvement of plan - target date 30 June 2014.

KPI - Project Plan for Maintenance Management System

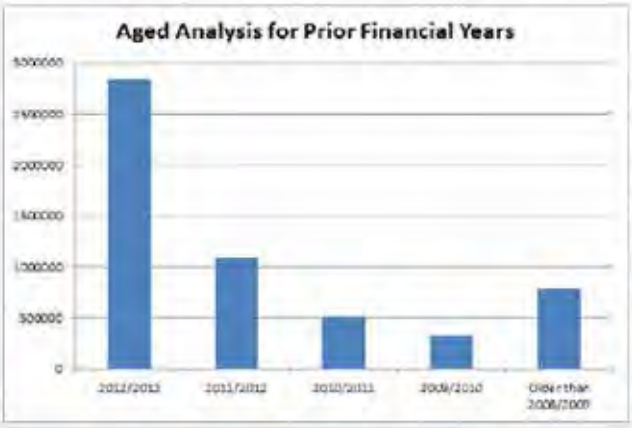
- Basic maintenance management planned to be setup through Assetic in conjunction with Information Services and GIS for specific asset custodians - target date 30 June 2014.

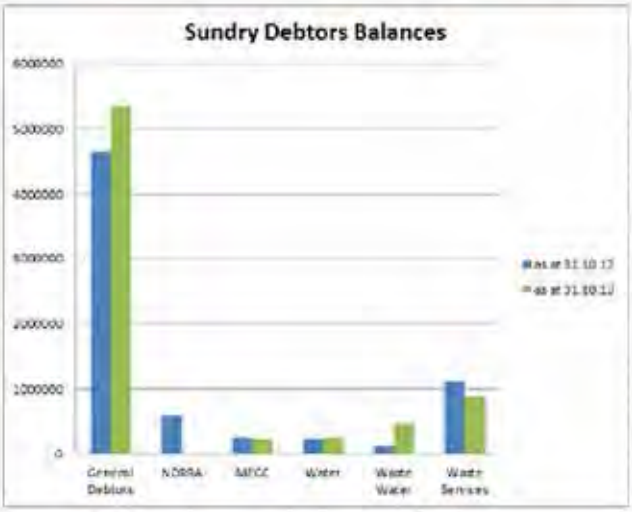
Financial Services

- Finalisation of 2012/2013 annual financial statements and end of year result
- QTC credit review
- Finalisation of water meter reading
- September budget review

Rates Outstanding

	Outstanding Balance	Rates Levied	Annualised Percentage
Rates Outstanding 31.10.13	24,714,525	111,864,415	11.0%
Prepayments	-7,365,338		
Rates Overdue	10,691,630		4.8%
Rates Overdue Last Month	15,768,156	101,425,879	7.8%
Rates Outstanding 31.10.12	12,093,993	93,276,157	6.5%
Rates Overdue	8,829,973		4.7%





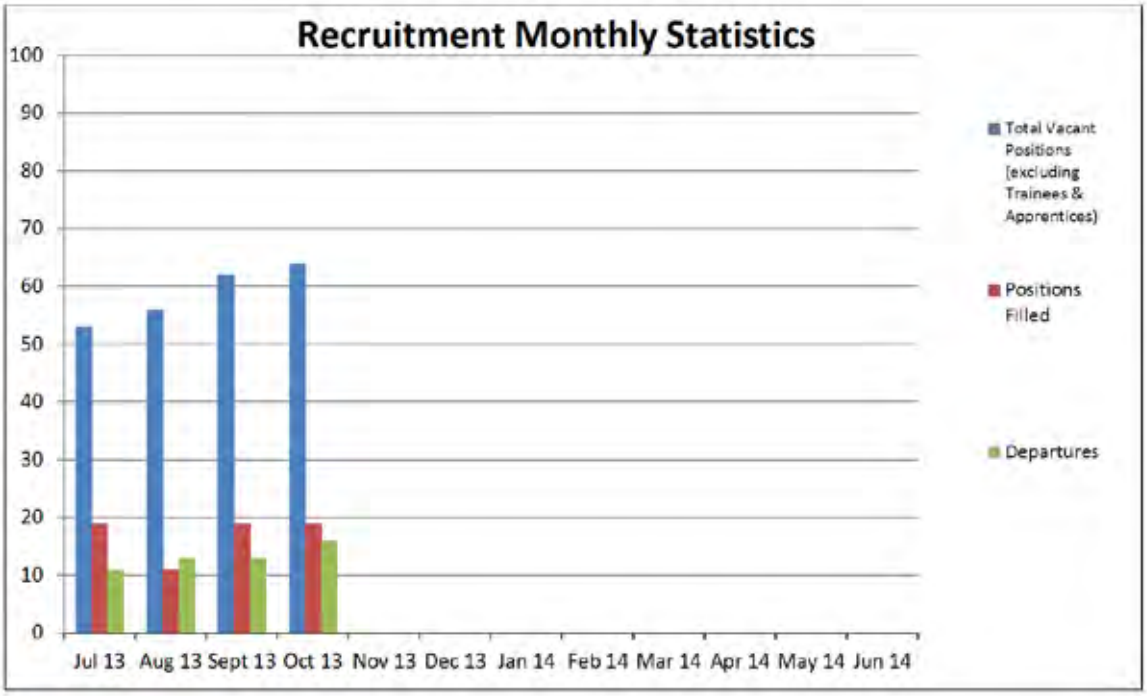
Governance

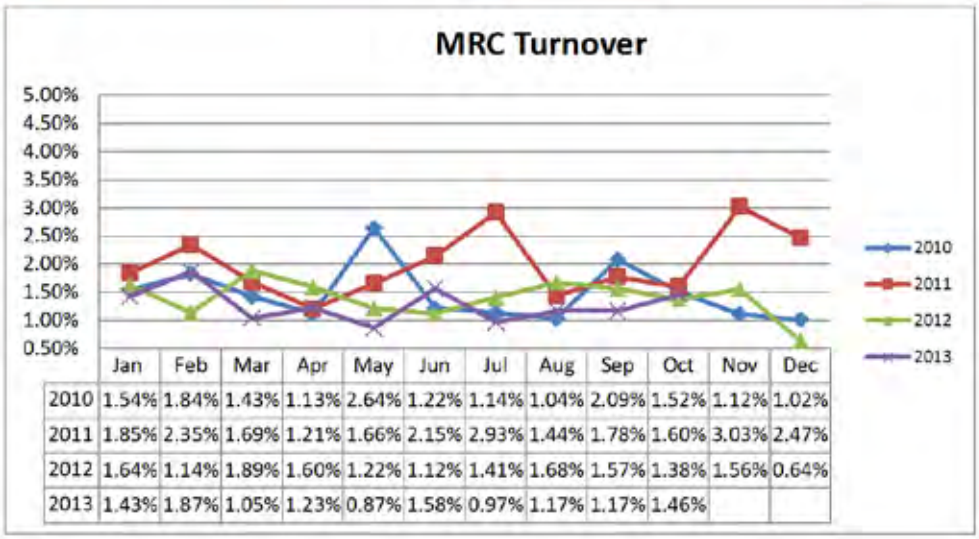
- 28 insurance claims lodged for October 2013
- One Right To Information received for October 2013
- Two requests for information also received under various legislation apart from RTI and IP
- Draft Business Continuity Framework developed along with draft business impact analysis document for further review with key program managers.

Human Resources

- SUPERvisor Training Program continued in October 2013.
- Revised eLearning rollout continued in October 2013.
- Apprentice & Trainee Intake 2013 – Progressing.
- WHS - Worker's Compensation (LGW) Licence Renewal Audit occurred 21, 22 & 23 October 2013 – still awaiting written report.

Recruitment
Total Vacant Positions - **64** **(excluding mat leave vacancies)**
Total Number of Positions Filled – **19**
Departures – **16**
Monthly Turnover – **1.46%**



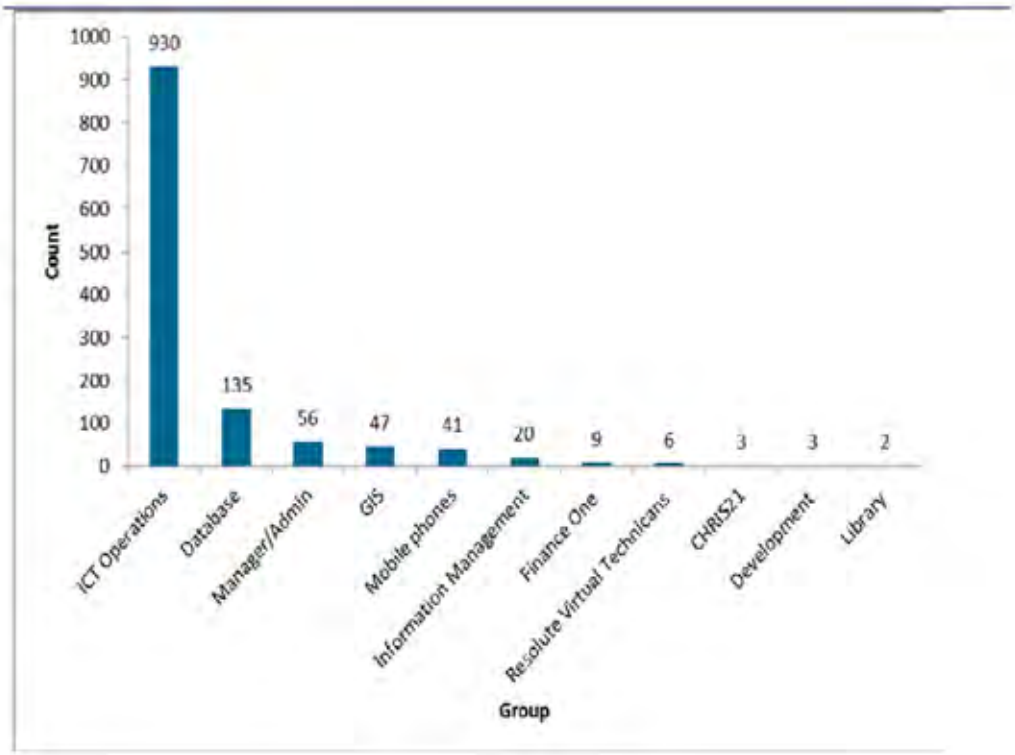


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	1.54%	1.84%	1.43%	1.13%	2.64%	1.22%	1.14%	1.04%	2.09%	1.52%	1.12%	1.02%
2011	1.85%	2.35%	1.69%	1.21%	1.66%	2.15%	2.93%	1.44%	1.78%	1.60%	3.03%	2.47%
2012	1.64%	1.14%	1.89%	1.60%	1.22%	1.12%	1.41%	1.68%	1.57%	1.38%	1.56%	0.64%
2013	1.43%	1.87%	1.05%	1.23%	0.87%	1.58%	0.97%	1.17%	1.17%	1.46%		

Information Services

- MiMAPS Upgrade: The MiMaps upgrade is currently in final stages of development. External stakeholders have been engaged to assist with final testing of the new system.
- Currently formulating new storm surge evacuation layers and maps that will be utilised in future Emergency Action Guide.
- Analysis data has been provided to the GIS team in relation to car parking zones and times for the CBD area, once the mapping is complete this map layer will be utilised by the planning team to assist in future car parking zones and times.
- The IS projects office have commenced building business requirements for tender of the Wide Area Network communication solution as part of the ICT DRR projects. Will be working with procurement and plan for a speedy tender process.
- The new Reporting Server has been implemented and is now being used by all Council staff. The old server will remain online until mid-November in case it's required, then will be shut down and decommissioned in early December. The new version provides improved report building capabilities.

Requests Completed October 2013 by Information Services Team



Internal Audit

- Audit Advisory Committee meeting held on 23 September 2013 with new external committee members.
- Fraud and Corruption Framework – Framework being developed in conjunction with training package including overriding Control Plan and Fraud Risk Assessments for particular business areas.
- Follow up internal audit review of Infringement progress to date completed.
- Internal Audit program continuing in preparation for meeting to be held 21 November 2013.

Procurement & Plant

- Manager presented at the Tendering for Government Business Workshop hosted by Department of State Development, Infrastructure and Planning.
- Category Management report 2012/2013 completed.
- CBD revitalisation project – EOI and Management Groups Terms of Reference drafting.
- Procurement Policy amendment and supporting documentation drafting.
- Financial Delegation review and recommendation report.
- Finalisation of large fleet quoting for 2013/2014 replacement program.

8.2 EXECUTIVE FINANCIAL PERFORMANCE REPORT TO 30 SEPTEMBER 2013 INCLUDING FIRST QUARTER BUDGET REVIEW

Author Director Organisational Services

Purpose

To present the September 2013 first quarter budget review.

Operational Plan Linkage

Strategy 7.9 – Encourage the dissemination of accurate and relevant information within the organisation and the community.

Background/Discussion

In line with the *Local Government Act 2009* and Council's adopted Budget Policy, quarterly reports are presented to Council detailing proposed budget amendments at the end of the quarter.

A detailed briefing has been provided to fully inform Council of the content of the reports and enable Councillors to raise questions directly with the relevant Director.

The revised budget proposed for adoption with this report is summarised as follows:

General Fund (excluding NDRRA)

Overall operating revenue increased by $43,566. This is largely due to operating grants & subsidies increasing by $82,916 due to additional grants being received including the "Get Ready Queensland" grant ($40,500) and "Graffiti Removal" grant ($35,000). Also other revenue increased by $10,000 due to recognition of a contribution from Reef Catchments towards pest management and weed control. Offsetting this additional revenue is some decreases in revenue.

Overall operating expenses increased by $113,817. The main contributing factors were recognition of operating expenses associated with Virgin Australia Stadium ($250,000), additional expenses associated with building rectifications at the MECC and expenditure associated with additional grant income being received. These expenses were offset by a budget saving in workers compensation due to the increase in premium being less than anticipated.

Capital Expenditure has increased overall by $7,669,121. The main contributing factor is in Civil Projects where projects previously deferred have been added to the current program of works. The majority of funds for these projects had been previously constrained to reserve, resulting in increased transfers from reserve. There is also $574,777 in additional capital grants being received to fund some of these projects. A capital expenditure amount of $100,000 was also included for Virgin Australia Stadium.

NDRRA

As a result of finalising NDRRA approvals and works program, there is a budgeted overall increase in grant income of $10,004,221 and a corresponding increase in Goods and Services expenditure. To complement and improve the outcomes in terms of quality of product an additional $2,500,000 in expenditure has been budgeted for as mentioned above, aligning with final signoff of the Queensland Reconstruction Authority review of the 2008 and 2009 events. It is proposed that this be funded from an additional dividend from the Waste Water fund. This can be achieved due to the significant end of year financial result achieved in the Waste Water fund of $4,073,649.

Water Fund

A $361,480 subsidy from the State Government for the Rural Water Supply Scheme has been received resulting in an increase in capital expenditure and capital grants for this amount.

Waste Water Fund

An additional $2,500,000 in dividend paid is proposed to be paid to the General Fund. This is funded by a transfer from reserve.

Consultation and Communication

All Council programs were asked to review their operations against budget to September and submit any variances for consideration. The Strategic Leadership and Performance Team has then reviewed and approved the variances as appropriate within available funding sources. A detailed briefing with Council was held on 20 November 2013.

Resource Implications

The resource implications to bring to account the September 2013 First Quarter Budget Review are as follows:

General Fund (excluding NDRRA)

Increase in operating revenue - ($43,566)
Increase in operating expenses - $113,817
Increase in capital expenses - $7,669,121
Increase in capital grant funding - ($574,777)
Increase in dividend received - ($2,500,000)
Transfer to NDRRA - $2,500,000
Transfers to/from reserve - ($7**,164,595)**
Overall amendments - nil

NDRRA

Increase in operating expenses - $12,504,221
Increase in operating grants - ($10,004,221)
Increase in capital expenses - $5,015,514
Increase in capital grant funding - ($615,514)

Transfer from General Fund - ($2,500,000)
Transfers to/from reserve - **($4,400,000)**
Overall amendments - nil

Water Fund

Increase in capital - $361,480
Increase in grant funding - **($361,480)**
Overall amendment - nil

Waste Water Fund

Increase in dividend paid - $2,500,000
Transfer from Sewerage General Reserve - **($2,500,000)**
Overall amendment - nil

Risk Management Implications

Nil.

Conclusion

The September 2013 first quarter budget review amendments identified in the Council briefing have now been included in the attached financial statements.

As the overall effect of the September 2013 first quarter budget review was nil across all funds, there is no change to the future years of the Long Term Financial Forecast, which was adopted in July 2013 and will be reviewed as part of the 2014/2015 budget process.

Officer's Recommendation

THAT (a) a dividend of $2,500,000 be paid from the Waste Water fund to the General Fund in terms of the complementary NDRRA expenditure, and

FURTHER THAT (b) the Executive Financial Performance Report to 30 September 2013 including the first quarter budget review be received.

Attachments

1. Executive Financial Performance Report to 30 September 2013 including the first quarter budget review.

Executive Financial Performance Report

For the month of September 2013

Including 1st Quarter Budget Review

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF SEPTEMBER 2013 INCLUDING 1ST QUARTER BUDGET REVIEW

CONTENTS PAGE

PAGE

BUDGET SNAPSHOT

By Fund 3

By Department 6

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF SEPTEMBER 2013 INCLUDING 1ST QUARTER BUDGET REVIEW

BUDGET SNAPSHOT - COUNCIL BY FUND

	GENERAL excluding NDRRA			NDRRA		
	Amd Budget 2013/2014	Actual 2013/2014	% of Budget	Amd Budget 2013/2014	Actual 2013/2014	% of Budget
Operating Revenue						
Rates & Utility Charges	112,793,685	54,681,225	48.48%	-	-	0.00%
Less: Discounts and Remissions	(12,013,067)	(5,500,109)	45.78%	-	-	0.00%
Fees & Charges	12,948,298	4,035,591	31.17%	-	-	0.00%
Sales - Contract & Recoverable Work	3,597,275	547,869	15.22%	-	-	0.00%
Operating Grants & Subsidies	7,846,644	1,271,559	16.21%	23,489,944	3,645,295	15.52%
Operating Contributions	-	68,751	100.00%	-	-	0.00%
Interest Earned	2,225,375	626,251	28.14%	-	-	0.00%
Other Revenue	5,105,776	3,245,900	63.57%	-	-	0.00%
Community Services Obligations	(313,068)	(78,267)	25.00%	-	-	0.00%
Internal Transfers - Revenue	19,070,147	6,219,400	32.61%	2,500,000	2,451,680	98.07%
Internal Revenue Distribution	(3,200,000)	(23,836,250)	0.00%	3,200,000	23,836,250	744.88%
	$ 148,061,087	$ 41,281,728	27.88%	$ 29,189,944	$ 29,933,216	102.55%
Less: Operating Expenses						
Employee Cost	64,984,985	15,004,012	23.10%	501,025	371,096	74.07%
Goods, Services & Other Operational Costs	50,792,274	14,956,641	29.45%	14,583,712	1,463,936	9.97%
Transfer from Capital re Loss on Disposal of Assets	-	1,639,241	100.00%	-	-	0.00%
Finance Costs (incl Interest Expense)	6,167,911	1,575,241	25.54%	-	-	0.00%
Other Expenses	4,306,930	2,682,422	62.28%	-	-	0.00%
Depreciation	37,500,000	9,375,000	25.00%	-	-	0.00%
Corporate Overheads & Competitive Neutrality Costs	(8,003,872)	(2,000,968)	25.00%	-	-	0.00%
Internal Transfers - Expenses	15,578,177	5,742,855	36.86%	5,548	904,091	16295.97%
	$ 171,306,405	$ 48,974,445	28.59%	$ 15,190,284	$ 2,739,122	18.03%
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	(1,639,241)	100.00%	-	-	0.00%
Retained Surplus/Deficit Brought Forward from Prior Year	(0)	(0)	100.00%			0.00%
Transfer from Capital for Unfunded Depreciation	(2,000,000)	(500,000)	25.00%			0.00%
Transfer (to) Capital General Revenue Expended	(2,620,018)	(2,292,592)	87.50%	3,200,000	11,794,996	368.59%
Inter-Function Dividends & Return on Capital	(14,720,000)	(5,555,000)	37.74%	-	-	0.00%
Transfers from Reserves	(8,622,407)	(2,475,923)	28.71%	(4,599,438)	-	-100.00%
Transfers to Reserves	4,717,086	2,252,376	47.75%	15,399,098	15,399,098	100.00%
	($ 23,245,339)	($ 10,210,381)	43.92%	$ 13,999,660	$ 27,194,094	194.25%
Operating Surplus (Deficit)	$ -	$ 2,517,664		$ -	$ -	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	(2,620,018)	(2,292,592)	87.50%	3,200,000	11,794,996	368.59%
Capital Grants	13,302,153	1,279,643	9.62%	43,268,535	12,127,373	28.03%
Capital Contributions	6,260,870	2,176,162	34.76%	-	-	0.00%
Capital Contributions - Non Cash Developer	4,000,000	5,230,616	130.77%	-	-	0.00%
Capital Other Revenue	26,603	32,727	123.02%	-	-	0.00%
Capital Internal Transfers - Revenue	4,644,151	(35,123)	-0.77%	418,553		100.00%
Transfers from Capital Reserves	44,762,051	17,399,219	38.87%	12,234,656	2,688,547	21.97%
Transfers to Capital Reserves	(21,218,653)	(17,081,863)	80.50%	(20,232,840)	(20,284,922)	100.26%
New Loans	7,459,043	-	-100.00%	-	-	0.00%
Proceeds from Sale of Assets	5,746,336	3,304,860	57.51%	-	-	0.00%
Funded Depreciation	35,500,000	8,875,000	25.00%	-	-	0.00%
Capital Funding Brought Forward			0.00%			0.00%
Capital Funding Carried Forward	-	-	0.00%	-	-	0.00%
	$ 97,762,545	$ 18,888,650	19.32%	$ 38,889,904	$ 6,325,994	16.27%
Capital Expenditure						
Capital Expenditure	85,509,331	11,169,119	13.06%	33,926,200	6,330,275	18.66%
Capital Internal Transfers - Expense	3,966,356	1,407,899	35.50%	4,962,704	(4,281)	-0.09%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	4,000,000	5,230,616	130.77%	-	-	0.00%
Loan Repayments	4,286,859	1,081,016	25.22%	-	-	0.00%
	$ 97,762,546	$ 18,888,650	19.32%	$ 38,888,904	$ 6,325,994	16.27%

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF SEPTEMBER 2013 INCLUDING 1ST QUARTER BUDGET REVIEW

BUDGET SNAPSHOT - COUNCIL BY FUND CONT'D

	WATER			WASTE WATER		
	Amd Budget 2013/2014	Actual 2013/2014	% of Budget	Amd Budget 2013/2014	Actual 2013/2014	% of Budget
Operating Revenue						
Rates & Utility Charges	38,489,426	9,135,480	23.75%	44,184,553	21,892,443	49.55%
Less: Discounts and Remissions	(1,659,815)	(795,184)	47.91%	(3,940,674)	(1,893,555)	48.05%
Fees & Charges	2,078,000	714,727	34.39%	2,123,422	746,266	35.14%
Sales - Contract & Recoverable Work	1,810,000	566,092	31.28%	1,300,000	735,975	56.61%
Operating Grants & Subsidies	-	-	0.00%	-	-	0.00%
Operating Contributions	-	-	0.00%	-	-	0.00%
Interest Earned	750,000	335,998	44.80%	375,000	388,329	103.02%
Other Revenue	115,583	81,100	70.24%	-	-	0.00%
Community Services Obligations	39,957	9,989	25.00%	137,843	34,461	25.00%
Internal Transfers - Revenue	829,660	241,014	29.05%	406,079	103,400	25.46%
Internal Revenue Distribution	-	-	0.00%	-	-	0.00%
	$ 42,432,791	$ 10,289,283	24.25%	$ 44,586,222	$ 22,005,319	49.35%
Less: Operating Expenses						
Employee Cost	7,913,239	1,926,710	24.35%	6,915,571	1,597,367	23.10%
Goods, Services & Other Operational Costs	8,715,215	1,635,127	18.76%	10,460,396	1,622,451	15.51%
Transfer from Capital re Loss on Disposal of Assets	-	183,332	100.00%	-	203,575	100.00%
Finance Costs (incl Interest Expense)	2,552,804	642,339	25.16%	4,181,369	984,019	23.53%
Other Expenses	445,500	337,339	75.72%	722,100	751,246	104.04%
Depreciation	7,042,704	1,760,675	25.00%	9,193,392	2,298,348	25.00%
Corporate Overheads & Competitive Neutrality Costs	3,296,610	824,153	25.00%	3,350,475	837,619	25.00%
Internal Transfers - Expenses	1,809,120	508,112	28.09%	1,267,415	300,976	23.75%
	$ 31,775,193	$ 7,817,788	24.60%	$ 36,090,718	$ 8,595,601	23.82%
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	(183,332)	100.00%	-	(203,575)	100.00%
Retained Surplus/Deficit Brought Forward from Prior Year	(3,587,215)	(3,587,215)	100.00%	(4,073,649)	(4,073,649)	100.00%
Transfer from Capital for Unfunded Depreciation	-	-	0.00%	-	-	0.00%
Transfer (to) Capital General Revenue Expended	4,487,371	47,353	1.06%	3,170,548	492,746	15.54%
Inter-Function Dividends & Return on Capital	6,000,000	1,500,000	25.00%	7,310,000	3,702,500	50.65%
Transfers from Reserves	(79,773)	(79,773)	100.00%	(2,959,672)	(2,959,672)	100.00%
Transfers to Reserves	3,837,215	3,836,635	99.98%	5,048,278	5,279,644	104.58%
	$ 10,657,599	$ 1,532,668	14.38%	$ 8,495,505	$ 2,237,994	26.34%
Operating Surplus (Deficit)	$ -	$ 938,827		$ -	$ 11,171,724	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	4,487,371	47,353	1.06%	3,170,548	492,746	15.54%
Capital Grants	361,480	92,170	25.50%	-	-	0.00%
Capital Contributions	4,869,565	1,639,305	33.66%	4,869,565	946,994	19.45%
Capital Contributions - Non Cash Developer	2,000,000	-	-100.00%	2,000,000	-	-100.00%
Capital Other Revenue	-	-	0.00%	-	-	0.00%
Capital Internal Transfers - Revenue	-	-	0.00%	-	-	0.00%
Transfers from Capital Reserves	5,049,997	2,353,058	46.60%	25,370,675	6,633,407	26.15%
Transfers to Capital Reserves	(4,900,754)	(1,670,494)	34.09%	(5,275,345)	(1,352,776)	25.64%
New Loans	7,197,144	-	-100.00%	-	-	0.00%
Proceeds from Sale of Assets	-	-	0.00%	-	-	0.00%
Funded Depreciation	7,042,704	1,760,675	25.00%	9,193,392	2,298,348	25.00%
Capital Funding Brought Forward	-	-	0.00%	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%	-	-	0.00%
	$ 26,107,477	$ 4,222,078	16.17%	$ 39,328,834	$ 9,018,721	22.93%
Capital Expenditure						
Capital Expenditure	21,811,819	3,514,289	16.11%	34,264,866	8,228,044	24.01%
Capital Internal Transfers - Expense	162,365	98,451	60.64%	57,588	19,581	34.00%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	2,000,000	-	-100.00%	2,000,000	-	-100.00%
Loan Repayments	2,133,293	609,338	28.56%	3,006,380	771,096	25.65%
	$ 26,107,477	$ 4,222,078	16.17%	$ 39,328,834	$ 9,018,721	22.93%

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF SEPTEMBER 2013 INCLUDING 1ST QUARTER BUDGET REVIEW

BUDGET SNAPSHOT - COUNCIL BY FUND CONT'D

	WASTE SERVICES			TOTAL		
	Amd Budget 2013/2014	Actual 2013/2014	% of Budget	Amd Budget 2013/2014	Actual 2013/2014	% of Budget
Operating Revenue						
Rates & Utility Charges	19,217,731	10,239,235	53.28%	214,665,396	95,948,383	44.70%
Less Discounts and Remissions	(1,136,348)	(570,394)	50.20%	(18,749,904)	(8,759,243)	46.72%
Fees & Charges	9,159,904	2,157,183	23.55%	26,309,624	7,653,767	29.09%
Sales - Contract & Recoverable Work	-	-	0.00%	6,707,275	1,849,736	27.58%
Operating Grants & Subsidies	-	1,991	100.00%	31,336,588	4,918,833	15.70%
Operating Contributions	-	-	0.00%	-	88,751	100.00%
Interest Earned	475,000	92,758	19.53%	3,625,375	1,441,338	37.68%
Other Revenue	356,712	17,315	4.85%	5,578,050	3,344,382	59.96%
Community Services Obligations	135,266	33,817	25.00%	-	0	0.00%
Internal Transfers - Revenue	488,429	41,614	8.52%	23,294,315	9,057,118	38.88%
Internal Revenue Distribution	-	-	0.00%	-	0	0.00%
	$ 29,686,693	$ 12,013,519	41.86%	$ 292,966,718	$ 115,523,064	39.43%
Less: Operating Expenses						
Employee Cost	1,506,771	395,590	26.22%	81,803,591	19,294,775	23.59%
Goods, Services & Other Operational Costs	16,226,052	2,264,701	13.96%	100,677,649	21,942,656	21.75%
Transfer from Capital re Loss on Disposal of Assets	-	-	0.00%	-	2,026,148	100.00%
Finance Costs (incl Interest Expense)	1,505,215	372,335	24.74%	14,407,299	3,573,935	24.81%
Other Expenses	175,700	97,221	55.33%	5,650,230	3,868,228	68.46%
Depreciation	1,855,592	463,898	25.00%	55,591,688	13,897,922	25.00%
Corporate Overheads & Competitive Neutrality Costs	1,356,787	339,197	25.00%	(0)	0	-33.33%
Internal Transfers - Expenses	447,747	38,993	8.71%	19,108,006	7,495,026	39.22%
	$ 23,075,864	$ 3,971,934	17.21%	$ 277,438,463	$ 72,098,889	25.99%
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	-	0.00%	-	(2,026,148)	100.00%
Retained Surplus/Deficit Brought Forward from Prior Year	(1,442,040)	(1,442,040)	100.00%	(9,102,904)	(9,102,904)	100.00%
Transfer from Capital for Unfunded Depreciation	-	-	0.00%	(2,000,000)	(500,000)	25.00%
Transfer (to) Capital General Revenue Expended	4,521,685	699,158	15.46%	12,759,586	10,741,661	84.19%
Inter-Function Dividends & Return on Capital	1,410,000	352,500	25.00%	-	-	0.00%
Transfers from Reserves	(460,656)	(348,544)	75.65%	(16,722,145)	(5,864,011)	35.07%
Transfers to Reserves	1,592,040	1,513,161	95.05%	30,593,718	28,279,913	92.44%
	$ 5,620,829	$ 774,135	13.77%	$ 15,528,254	$ 21,528,511	138.64%
Operating Surplus (Deficit)	$ -	$ 7,267,450		$ -	$ 21,895,664	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	4,521,685	699,158	15.46%	12,759,586	10,741,661	84.19%
Capital Grants	-	-	0.00%	56,932,177	13,499,186	23.71%
Capital Contributions	-	-	0.00%	16,000,000	4,762,462	29.77%
Capital Contributions - Non Cash Developer	-	-	0.00%	8,000,000	5,230,616	65.38%
Capital Other Revenue	-	-	0.00%	26,603	32,727	123.02%
Capital Internal Transfers - Revenue	-	-	0.00%	4,962,704	(35,123)	-0.71%
Transfers from Capital Reserves	1,653,261	1,161,019	70.23%	89,070,610	30,235,261	33.95%
Transfers to Capital Reserves	-	-	0.00%	(51,627,593)	(40,390,055)	78.23%
New Loans	-	-	0.00%	14,656,187	-	-100.00%
Proceeds from Sale of Assets	-	-	0.00%	5,746,336	3,304,860	57.51%
Funded Depreciation	1,855,592	463,898	25.00%	53,591,688	13,397,922	25.00%
Capital Funding Brought Forward	-	-	0.00%	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%	-	-	0.00%
	$ 8,030,538	$ 2,324,075	28.94%	$ 210,118,298	$ 40,779,517	19.41%
Capital Expenditure						
Capital Expenditure	6,694,023	2,000,110	29.88%	182,206,239	31,241,837	17.15%
Capital Internal Transfers - Expense	-	5,320	100.00%	9,149,013	1,526,969	16.69%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	-	-	0.00%	8,000,000	5,230,616	65.38%
Loan Repayments	1,336,515	318,645	23.84%	10,763,047	2,780,095	25.83%
	$ 8,030,538	$ 2,324,075	28.94%	$ 210,118,299	$ 40,779,518	19.41%

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF SEPTEMBER 2013 INCLUDING 1ST QUARTER BUDGET REVIEW

BUDGET SNAPSHOT – BY DEPARTMENT

	Corporate Revenue & Expenses			Development Services		
	Amd Budget 2013/2014	Actual 2013/2014	% of Budget	Amd Budget 2013/2014	Actual 2013/2014	% of Budget
Operating Revenue						
Rates & Utility Charges	106,560,772	51,519,715	48.35%	-	-	0.00%
Less: Discounts and Remissions	(12,004,197)	(5,477,896)	45.63%	-	-	0.00%
Fees & Charges	715,000	126,176	17.65%	8,361,298	2,510,072	30.02%
Sales - Contract & Recoverable Work	-	-	0.00%	-	-	0.00%
Operating Grants & Subsidies	6,000,000	-	-100.00%	-	-	0.00%
Operating Contributions	-	-	0.00%	-	68,751	100.00%
Interest Earned	2,225,375	347,006	15.59%	-	514	100.00%
Other Revenue	165,000	51,062	30.95%	186,000	109,360	58.80%
Community Services Obligations	(313,066)	(78,267)	25.00%	-	-	0.00%
Internal Transfers - Revenue	19,000	-	-100.00%	125,000	95,777	76.62%
Internal Revenue Distribution	(109,233,525)	(45,215,158)	41.39%	3,941,450	(633,759)	-16.08%
	($ 5,865,641)	$ 1,272,638	-21.70%	$ 12,613,749	$ 2,150,715	17.05%
Less: Operating Expenses						
Employee Cost	(2,309,646)	(1,418,505)	61.42%	9,491,575	2,273,238	23.95%
Goods, Services & Other Operational Costs	6,172,565	2,090,449	33.87%	2,918,863	425,535	14.58%
Transfer from Capital re Loss on Disposal of Assets	-	-	0.00%	-	-	0.00%
Finance Costs (incl Interest Expense)	6,072,411	1,564,378	25.76%	21,000	2,475	11.79%
Other Expenses	285,980	287,946	100.69%	850,200	371,283	43.67%
Depreciation	37,500,000	9,375,000	25.00%	-	-	0.00%
Corporate Overheads & Competitive Neutrality Costs	(8,003,872)	(2,000,968)	25.00%	-	-	0.00%
Internal Transfers - Expenses	2,519,000	2,500,058	99.25%	517,142	126,701	24.50%
	$ 42,236,438	$ 12,398,358	29.35%	$ 13,798,779	$ 3,199,232	23.18%
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets			0.00%			0.00%
Retained Surplus/Deficit Brought Forward from Prior	-	-	0.00%	-	-	0.00%
Transfer from Capital for Unfunded Depreciation	(2,000,000)	(500,000)	25.00%	-	-	0.00%
Transfer (to) Capital General Revenue Expended	(31,213,141)	(7,793,984)	24.97%	-	(481,107)	100.00%
Inter-Function Dividends & Return on Capital	(14,720,000)	(5,555,000)	37.74%	-	-	0.00%
Transfers from Reserves	(1,719,751)	(189,508)	11.02%	(1,185,031)	(567,924)	47.92%
Transfers to Reserves	1,560,812	395,109	25.48%	-	514	100.00%
	($ 48,102,080)	($ 13,643,384)	28.36%	($ 1,185,031)	($ 1,048,517)	88.48%
Operating Surplus (Deficit)	$ -	$ 2,517,994		$ -	$ -	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	(31,213,141)	(7,793,984)	24.97%	-	(481,107)	100.00%
Capital Grants	-	-	0.00%	-	-	0.00%
Capital Contributions - Cash	-	-	0.00%	-	31,551	100.00%
Capital Contributions - Non Cash Developer	-	-	0.00%	-	-	0.00%
Capital Other Revenue	-	-	0.00%	-	-	0.00%
Capital Internal Transfers - Revenue	-	-	0.00%	-	-	0.00%
Transfers from Capital Reserves			0.00%	481,107	481,107	100.00%
Transfers to Capital Reserves			0.00%	-	(31,551)	100.00%
Loans			0.00%			0.00%
Proceeds from Sale of Assets	-	-	0.00%	-	-	0.00%
Funded Depreciation	35,500,000	8,875,000	25.00%	-	-	0.00%
Capital Funding Brought Forward	-	-	0.00%	-	-	0.00%
Capital Funding Carried Forward			0.00%			0.00%
	$ 4,286,859	$ 1,081,016	25.22%	$ 481,107	($ 0)	0.00%
Capital Expenditure						
Capital Expenditure	-	-	0.00%	481,107	-	-100.00%
Capital Internal Transfers - Expense	-	-	0.00%	-	-	0.00%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	-	-	0.00%	-	-	0.00%
Loan Repayments	4,286,859	1,081,016	25.22%	-	-	0.00%
	$ 4,286,859	$ 1,081,016	25.22%	$ 481,107	$ -	-100.00%

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF SEPTEMBER 2013 INCLUDING 1ST QUARTER BUDGET REVIEW

BUDGET SNAPSHOT – BY DEPARTMENT CONT'D

	Corporate Services Office of CEO Amd Budget 2013/2014	Actual 2013/2014	% of Budget	Community Services Amd Budget 2013/2014	Actual 2013/2014	% of Budget
Operating Revenue						
Rates & Utility Charges	-	-	0.00%	1,006,877	506,407	50.29%
Less: Discounts and Remissions	-	-	0.00%	(898)	(465)	51.80%
Fees & Charges	197,000	43,719	22.19%	3,054,000	1,192,520	39.05%
Sales - Contract & Recoverable Work	-	-	0.00%	-	4,732	100.00%
Operating Grants & Subsidies	336,500	876,899	261.37%	1,406,644	319,159	22.69%
Operating Contributions	-	-	0.00%	-	-	0.00%
Interest Earned	-	149	100.00%	-	1,933	100.00%
Other Revenue	49,300	2,184,500	4431.03%	4,354,350	835,902	19.19%
Community Services Obligations	-	-	0.00%	-	-	0.00%
Internal Transfers - Revenue	13,833,258	4,854,505	35.09%	62,500	226,222	361.96%
Internal Revenue Distribution	27,346,074	3,289,865	12.03%	18,083,591	2,246,172	12.42%
	$ 41,761,132	$ 11,249,726	26.94%	$ 27,967,064	$ 5,331,680	19.06%
Less: Operating Expenses						
Employee Cost	20,328,397	5,062,868	24.91%	11,262,436	2,736,095	24.29%
Goods, Services & Other Operational Costs	12,203,255	4,860,249	39.83%	14,171,235	3,777,214	26.65%
Transfer from Capital re Loss on Disposal of Assets	-	147,570	100.00%	-	92,188	100.00%
Finance Costs (incl Interest Expense)	20,000	4,267	21.34%	53,900	3,888	7.21%
Other Expenses	2,126,000	1,506,596	70.87%	986,750	470,537	47.69%
Depreciation	-	-	0.00%	-	-	0.00%
Corporate Overheads & Competitive Neutrality Costs	-	-	0.00%	-	-	0.00%
Internal Transfers - Expenses	467,852	155,105	33.15%	558,744	407,345	72.90%
	$ 35,145,504	$ 11,736,656	33.39%	$ 27,033,065	$ 7,487,267	27.70%
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	(147,570)	100.00%	-	(92,188)	100.00%
Retained Surplus/Deficit Brought Forward from Prior	-	-	0.00%	-	-	0.00%
Transfer from Capital for Unfunded Depreciation	-	-	0.00%	-	-	0.00%
Transfer (to) Capital General Revenue Expended	7,408,664	168,481	2.27%	1,526,218	(2,085,738)	-136.66%
Inter-Function Dividends & Return on Capital	-	-	0.00%	-	-	0.00%
Transfers from Reserves	(793,036)	(507,641)	64.04%	(1,590,199)	(485,525)	30.53%
Transfers to Reserves	-	-	0.00%	1,005,979	507,875	50.49%
	$ 6,615,628 ($	488,930)	-7.39%	$ 933,998 ($	2,155,576)	-230.79%
Operating Surplus (Deficit)	$ ($	0)		$ 0 $	-	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	7,408,664	168,481	2.27%	1,526,218	(2,085,738)	-136.66%
Capital Grants	-	-	0.00%	9,587,605	8,535	0.09%
Capital Contributions - Cash	-	-	0.00%	-	-	0.00%
Capital Contributions - Non Cash Developer	-	-	0.00%	-	-	0.00%
Capital Other Revenue	-	-	0.00%	-	32,727	100.00%
Capital Internal Transfers - Revenue	-	12,658	100.00%	-	-	0.00%
Transfers from Capital Reserves	3,901,081	1,638,257	41.99%	11,000,108	2,525,412	22.96%
Transfers to Capital Reserves	-	-	0.00%	(3,325,036)	(3,325,036)	100.00%
Loans	-	-	0.00%	-	-	0.00%
Proceeds from Sale of Assets	2,446,336	-	-100.00%	3,300,000	3,304,860	100.15%
Funded Depreciation	-	-	0.00%	-	-	0.00%
Capital Funding Brought Forward	-	-	0.00%	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%	-	-	0.00%
	$ 13,756,081	$ 1,819,396	13.23%	$ 22,088,895	$ 460,760	2.09%
Capital Expenditure						
Capital Expenditure	13,756,081	1,237,108	8.99%	22,088,895	459,432	2.08%
Capital Internal Transfers - Expense	-	582,288	100.00%	-	1,328	100.00%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	-	-	0.00%	-	-	0.00%
Loan Repayments	-	-	0.00%	-	-	0.00%
	$ 13,756,081	$ 1,819,396	13.23%	$ 22,088,895	$ 460,760	2.09%

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF SEPTEMBER 2013 INCLUDING 1ST QUARTER BUDGET REVIEW

BUDGET SNAPSHOT – BY DEPARTMENT CONT'D

	Engineering Services			NDRRA		
	Amd Budget 2013/2014	Actual 2013/2014	% of Budget	Amd Budget 2013/2014	Actual 2013/2014	% of Budget
Operating Revenue						
Rates & Utility Charges	5,226,036	2,655,103	50.81%	-	-	0.00%
Less: Discounts and Remissions	(7,972)	(21,748)	272.81%	-	-	0.00%
Fees & Charges	621,000	163,095	26.26%	-	-	0.00%
Sales - Contract & Recoverable Work	3,597,275	542,938	15.09%	-	-	0.00%
Operating Grants & Subsidies	104,500	75,500	72.25%	23,489,944	3,645,285	15.52%
Operating Contributions	-	-	0.00%	-	-	0.00%
Interest Earned	-	276,649	100.00%	-	-	0.00%
Other Revenue	351,126	65,976	18.79%	-	-	0.00%
Community Services Obligations	-	-	0.00%	-	-	0.00%
Internal Transfers - Revenue	5,030,389	1,042,816	20.73%	2,500,000	2,451,680	98.07%
Internal Revenue Distribution	56,662,411	16,476,630	29.08%	3,200,000	23,836,250	744.88%
	$ 71,584,764	$ 21,276,958	29.72%	$ 29,189,944	$ 29,933,215	102.55%
Less: Operating Expenses						
Employee Cost	26,192,224	6,350,315	24.25%	501,025	371,095	74.07%
Goods, Services & Other Operational Costs	15,326,355	3,803,193	24.81%	14,683,712	1,463,935	9.97%
Transfer from Capital re Loss on Disposal of Assets	-	1,399,483	100.00%	-	-	0.00%
Finance Costs (incl Interest Expense)	600	233	38.90%	-	-	0.00%
Other Expenses	58,000	46,060	79.41%	-	-	0.00%
Depreciation	-	-	0.00%	-	-	0.00%
Corporate Overheads & Competitive Neutrality Costs	-	-	0.00%	-	-	0.00%
Internal Transfers - Expenses	11,515,440	2,553,646	22.18%	5,548	904,091	16296.97%
	$ 53,092,619	$ 14,152,932	26.66%	$ 15,190,284	$ 2,739,122	18.03%
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	(1,399,483)	100.00%	-	-	0.00%
Retained Surplus/Deficit Brought Forward from Prior	-	-	0.00%	-	-	0.00%
Transfer from Capital for Unfunded Depreciation	-	-	0.00%	-	-	0.00%
Transfer (to) Capital General Revenue Expended	19,658,241	7,899,757	40.19%	3,200,000	11,794,996	368.59%
Inter-Function Dividends & Return on Capital	-	-	0.00%	-	-	0.00%
Transfers from Reserves	(3,326,390)	(725,125)	21.80%	(4,599,438)	-	-100.00%
Transfers to Reserves	2,160,295	1,348,877	62.44%	15,399,098	15,399,098	100.00%
	$ 18,492,146	$ 7,124,026	38.52%	$ 13,999,660	$ 27,194,094	194.25%
Operating Surplus (Deficit)	$ -	$ -		$ -	$ -	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	19,658,241	7,899,757	40.19%	3,200,000	11,794,996	368.59%
Capital Grants	3,714,557	1,271,107	34.22%	43,268,535	12,127,373	28.03%
Capital Contributions - Cash	6,260,870	2,144,601	34.25%	-	-	0.00%
Capital Contributions - Non Cash Developer	4,000,000	5,230,616	130.77%	-	-	0.00%
Capital Other Revenue	26,603	-	-100.00%	-	-	0.00%
Capital Internal Transfers - Revenue	4,544,151	(47,781)	-1.05%	418,553	-	-100.00%
Transfers from Capital Reserves	29,379,755	12,754,444	43.41%	12,234,656	2,688,547	21.97%
Transfers to Capital Reserves	(17,893,617)	(13,725,266)	76.70%	(20,232,840)	(20,284,922)	100.26%
Loans	7,459,043	-	-100.00%	-	-	0.00%
Proceeds from Sale of Assets	-	-	0.00%	-	-	0.00%
Funded Depreciation	-	-	0.00%	-	-	0.00%
Capital Funding Brought Forward	-	-	0.00%	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%	-	-	0.00%
	$ 57,149,604	$ 15,527,479	27.17%	$ 38,888,904	$ 6,325,994	16.27%
Capital Expenditure						
Capital Expenditure	49,103,248	9,472,560	19.29%	33,925,200	5,330,275	15.66%
Capital Internal Transfers - Expense	3,966,356	824,283	20.78%	4,962,704	- 4,281	-0.09%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	4,000,000	5,230,616	130.77%	-	-	0.00%
Loan Repayments	-	-	0.00%	-	-	0.00%
	$ 57,149,604	$ 15,527,479	27.17%	$ 38,888,904	$ 5,325,994	16.27%

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF SEPTEMBER 2013 INCLUDING 1ST QUARTER BUDGET REVIEW

BUDGET SNAPSHOT – BY DEPARTMENT CONT'D

	Water & Waste Services			Total		
	Amd Budget 2013/2014	Actual 2013/2014	% of Budget	Amd Budget 2013/2014	Actual 2013/2014	% of Budget
Operating Revenue						
Rates & Utility Charges	101,871,710	41,267,158	40.51%	214,555,395	95,948,383	44.70%
Less: Discounts and Remissions	(6,736,837)	(3,259,133)	48.38%	(16,749,904)	(8,759,243)	46.72%
Fees & Charges	13,301,320	3,618,177	27.08%	26,309,624	7,663,767	29.09%
Sales - Contract & Recoverable Work	3,110,000	1,302,067	41.87%	6,707,275	1,849,730	27.58%
Operating Grants & Subsidies	-	1,991	100.00%	31,336,588	4,918,833	15.70%
Operating Contributions	-	-	0.00%	-	66,751	100.00%
Interest Earned	1,600,000	815,086	50.94%	3,825,375	1,441,335	37.68%
Other Revenue	472,275	98,482	20.85%	5,578,050	3,344,382	59.96%
Community Services Obligations	313,065	78,267	25.00%			0.00%
Internal Transfers - Revenue	1,724,168	386,028	22.39%	23,204,315	9,057,118	38.88%
Internal Revenue Distribution	-	-	0.00%	-	-	0.00%
	$ 115,715,707	$ 44,309,121	38.29%	$ 292,956,718	$ 115,523,064	39.43%
Less: Operating Expenses						
Employee Cost	16,337,581	3,919,667	23.99%	81,803,581	19,294,775	23.59%
Goods, Services & Other Operational Costs	35,401,663	5,522,279	15.60%	100,877,649	21,942,856	21.75%
Transfer from Capital re Loss on Disposal of Assets	-	386,907	100.00%	-	2,026,148	100.00%
Finance Costs (incl Interest Expense)	8,239,388	1,998,694	24.26%	14,407,299	3,573,935	24.81%
Other Expenses	1,343,300	1,185,806	88.28%	5,950,230	3,868,228	68.46%
Depreciation	18,091,668	4,522,922	25.00%	55,591,668	13,897,922	25.00%
Corporate Overheads & Competitive Neutrality Costs	8,003,872	2,000,968	25.00%	-	-	0.00%
Internal Transfers - Expenses	3,524,282	848,081	24.06%	19,108,006	7,495,028	39.22%
	$ 90,941,774	$ 20,385,323	22.42%	$ 277,438,483	$ 72,098,889	25.99%
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	(386,907)	100.00%	-	(2,026,148)	100.00%
Retained Surplus/Deficit Brought Forward from Prior	(9,102,904)	(9,102,904)	100.00%	(9,102,904)	(9,102,904)	100.00%
Transfer from Capital for Unfunded Depreciation	-	-	0.00%	(2,000,000)	(500,000)	25.00%
Transfer (to) Capital General Revenue Expended	12,179,604	1,239,257	10.17%	12,759,587	10,741,661	84.19%
Inter-Function Dividends & Return on Capital	14,720,000	5,555,000	37.74%			0.00%
Transfers from Reserves	(3,500,300)	(3,388,088)	96.79%	(16,722,145)	(5,864,011)	35.07%
Transfers to Reserves	10,477,633	10,628,430	101.44%	30,593,718	28,270,913	92.44%
	$ 24,773,933	$ 4,544,798	18.35%	$ 15,528,255	$ 21,528,511	138.64%
Operating Surplus (Deficit)	$ -	$ 19,378,000		($ 0)	$ 21,895,664	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	12,179,604	1,239,257	10.17%	12,759,587	10,741,661	84.19%
Capital Grants	361,480	92,170	25.50%	58,932,177	13,499,180	23.71%
Capital Contributions - Cash	9,736,130	2,586,299	26.56%	16,000,000	4,762,462	29.77%
Capital Contributions - Non Cash Developer	4,000,000	-	-100.00%	8,000,000	5,230,615	65.38%
Capital Other Revenue	-	-	0.00%	26,603	32,727	123.02%
Capital Internal Transfers - Revenue	-	-	0.00%	4,982,704	(35,123)	-0.71%
Transfers from Capital Reserves	32,073,903	10,147,494	31.64%	89,070,610	30,235,261	33.95%
Transfers to Capital Reserves	(10,176,100)	(3,023,269)	29.71%	(51,627,593)	(40,390,055)	78.23%
Loans	7,197,144	-	-100.00%	14,556,187	-	-100.00%
Proceeds from Sale of Assets	-	-	0.00%	5,746,336	3,304,660	57.51%
Funded Depreciation	18,091,668	4,522,922	25.00%	53,591,668	13,397,922	25.00%
Capital Funding Brought Forward	-	-	0.00%	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%	-	-	0.00%
	$ 73,466,849	$ 15,564,873	21.19%	$ 210,118,209	$ 40,779,518	19.41%
Capital Expenditure						
Capital Expenditure	52,770,708	13,742,443	21.89%	182,206,239	31,241,837	17.15%
Capital Internal Transfers - Expense	210,952	123,351	58.08%	9,149,013	1,526,960	16.69%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	4,000,000	-	-100.00%	8,000,000	5,230,615	65.38%
Loan Repayments	6,476,188	1,699,079	26.24%	10,753,047	2,780,095	25.83%
	$ 73,466,849	$ 15,564,873	21.19%	$ 210,118,299	$ 40,779,518	19.41%

8.3 EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013

Author Director Organisational Services

Purpose

To present the Executive Financial Performance Report for the month of October 2013.

Operational Plan Linkage

Strategy 7.9 – Encourage the dissemination of accurate and relevant information within the organisation and the community.

Background/Discussion

The October 2013 report is the first report presented under the organisation structure implemented as part of the CEO's Roadmap to Organisational Excellence. The report has also been redesigned to include consolidated graphs for revenue, expenditure and capital as well as significant variance explanations.

As at 31 October 2013 Council's Operating Revenue totalled $127,575,520 and Operating Expenditure totalled $90,618,220. Total Capital Expenditure to date equals $58,111,007.

Comments on operating revenue and operating expenditure against year to date budget are contained within the report.

Capital expenditure excluding committals is currently at 29% of annual budget which includes the 2012/2013 carryovers.

It should be noted that figures provided are accurate as at the date of publication. Figures reported are cumulative year to date which may include adjustments for revenue or expenses accrued to prior accounting periods.

Depreciation estimates are based on a percentage of the annual budget until the final calculations are undertaken at year end.

Consultation and Communication

Management Team.

Resource Implications

Nil.

Risk Management Implications

Nil.

Conclusion

Overall figures indicate that council is tracking close to budget on a pro-rata basis, whilst noting the variances included in the report. The timing of capital delivery continues to be closely monitored.

Changes identified in the September Budget Review will be reflected in the next monthly report.

Officer's Recommendation

THAT the Executive Financial Performance Report for the month of October 2013 be received.

Attachments

1. Executive Financial Performance Report for the month of October 2013.

Executive Financial Performance Report

For the month of October 2013

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013

CONTENTS PAGE

PAGE

PROGRESS AT A GLANCE 3

BUDGET SNAPSHOT

At a Glance 5

Revenue 6

Expenditure 7

Capital 8

By Fund 9

By Department 12

FINANCIAL PERFORMANCE REPORT

Water & Waste Services 17

Waste Services 20

CRITICAL BUDGET SUCESS FACTORS

Investments 22

Debt 22

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013

PROGRESS AT A GLANCE

Program	Indicator	Comments
Office of the Mayor & CEO	●	
Sustainability & Collaboration	●	Expected to track sufficiently subject to income monies from Woodlands to cover Capital remediation costs, and centralisation of legal budgets.
Internal Audit	●	
Performance & Strategy	●	
Community & Client Services – Department Management	●	Unexpected costs have resulted in excess expenditure. These issues are being addressed in the September budget review.
Corporate Communications & Marketing	●	
Mackay Entertainment Convention Centre & Events	●	Unexpected costs have resulted in excess expenditure. These issues are being addressed in the September budget review.
Community Programs	●	
Parks and Environment	●	
Property Services	●	Additional funds approved for office renovations completed at time of submission.
Organisational Services – Department Management	●	
Human Resources	●	
Information Services	●	
Procurement and Plant	●	
Governance	●	
Asset Management	●	
Financial Services	●	
Development Services – Department Management	●	
Strategic Planning	●	
Development Assessment	●	Impact of resolving a number of appeals early into the Financial year.
Business Support	●	
Health and Regulatory	●	
Development Engineering	●	Due to reduced fee income
Economic Development	●	Above where the budget should be for this time of year. Will be brought back into line with budget as year progresses.

MACKAY REGIONAL COUNCIL **EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013**

Program	Indicator	Comments
Engineering Services – Department Management	●	
Civil Operations	●	Expenditure is exceeding the year to date budget as a result of high production rates on the roads and drainage network in preparation for the wet season and minimal poor weather disruptions. Actions are being taken to ensure expenditure rates are controlled to ensure program expenditure remains within allocation by year end.
Technical Services	●	
Civil Projects	●	Generally tracking well due to prolonged good construction weather. Concerns over variations for Connors road which are still being assessed.
Engineering Services - National Disaster Relief & Recovery Arrangements	●	Completion of all restoration works by the 30 June 2014 deadline is at risk of not being achieved. Complementary funding is anticipated to increase substantially to provide for asset enhancement.
Engineering Services - Business Services	●	
Emergency Management		
WWS Management	●	
WWS Planning & Sustainability	●	
WWS Infrastructure Delivery	●	
WWS Water Network	●	
WWS Waste Services	●	
WWS Business Services	●	
WWS Water Treatment	●	

Indicators:

- ● Budget on Track
- ● Partial Budget Issue
- ● Definite Budget Issue

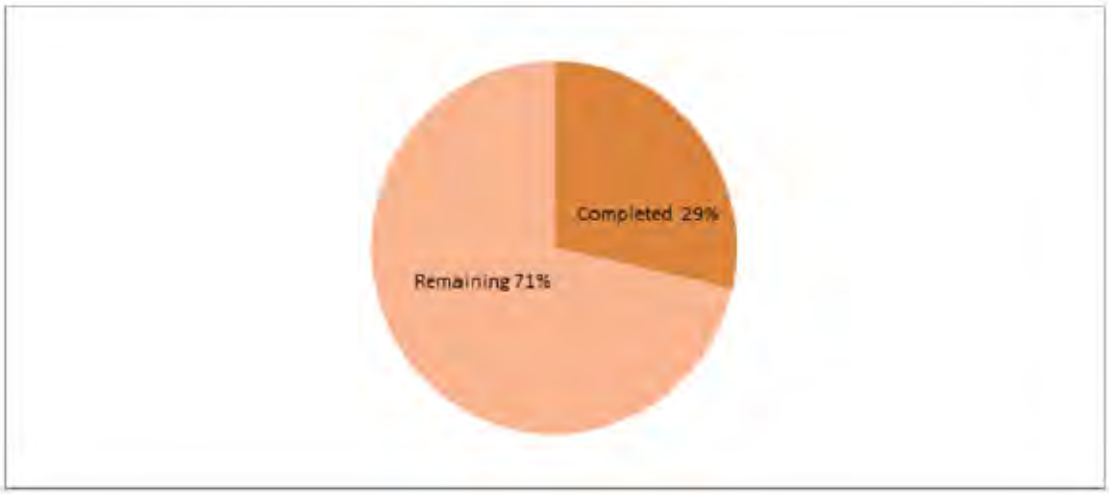
MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013

BUDGET SNAPSHOT AT A GLANCE

OCTOBER FINANCIAL PERFORMANCE AT A GLANCE				
	Actual $	Amended Budget $	Variance $	Actual - Budget %
Total operating revenue	127,575,520	280,418,932	152,843,412	45.49%
Total operating expenses	90,618,284	262,320,430	171,702,146	34.54%
Operating position	**36,957,236**	**18,098,502**	**(18,858,734)**	
Capital revenue	23,862,267	131,336,425	107,474,158	18.17%

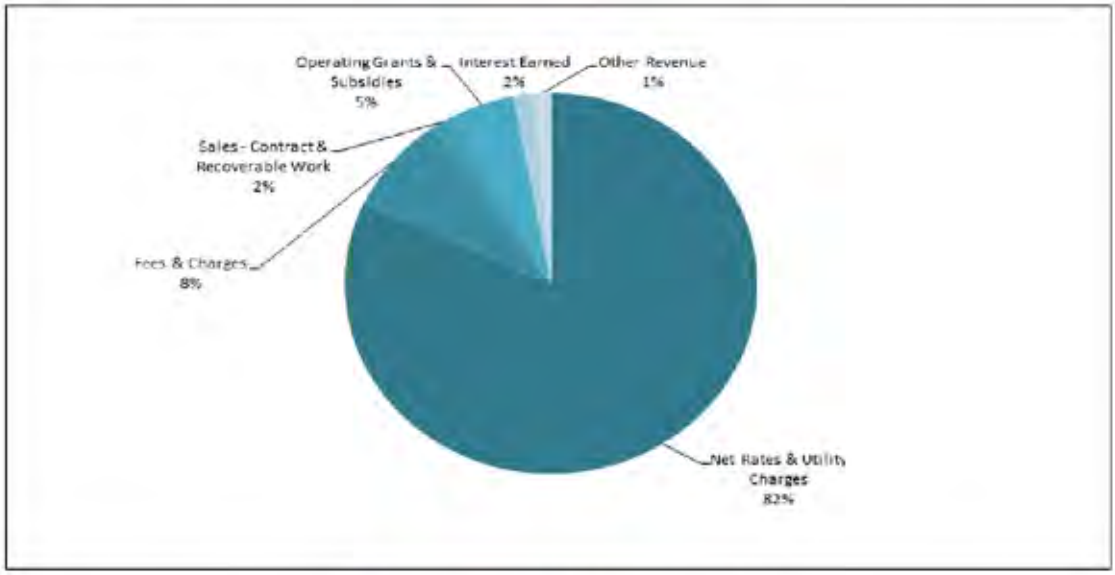
CAPITAL EXPENDITURE	
YTD actual expenditure	51,150,456
Remaining capital expenditure	127,774,195
TOTAL budgeted capital expenditure	178,924,651



MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013

REVENUE

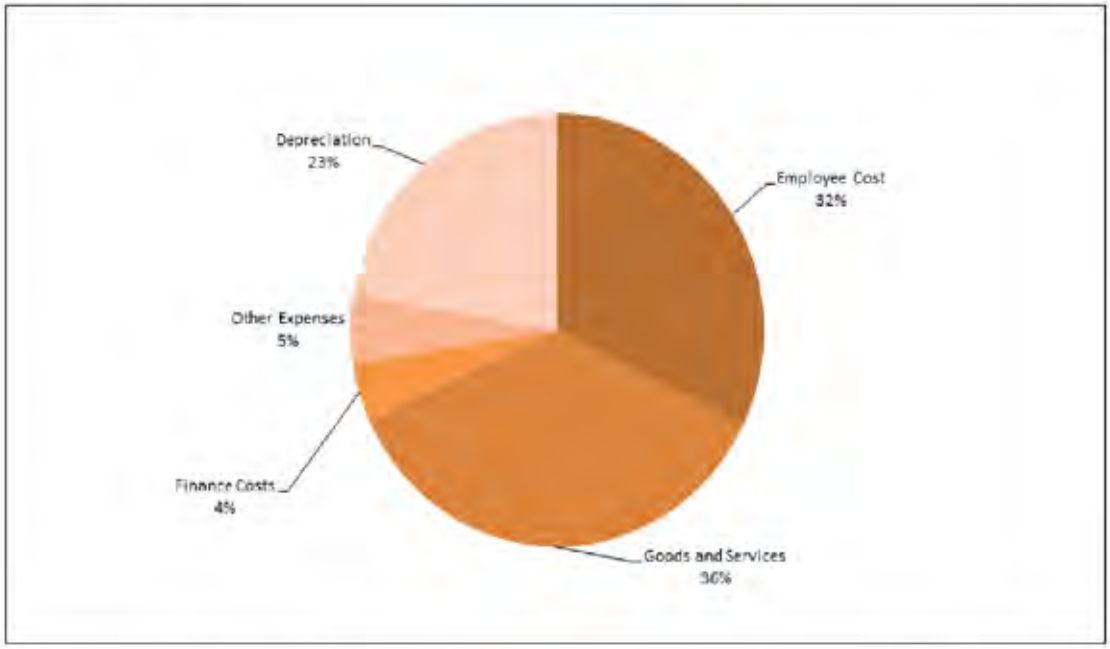


SIGNIFICANT VARIANCE EXPLANATIONS - REVENUE					
Description	Actual YTD $	Amended Budget YTD $	Variance of Actual against Budget YTD		
Rates and Utility Charges	106,660,624	107,357,373	(696,749)	Unfavourable	Slightly less than YTD budget, however budget is expected to be achieved through the recognition of growth throughout the year and accounting for rates received in advance.
Fees and Charges	9,754,548	8,769,875	984,673	Favourable	Higher than YTD budget through some higher than anticipated activity and receipt of annual fees.
Sales - Contract and Recoverable Works	2,139,111	2,235,758	(96,647)	Unfavourable	Slightly less than YTD budget, however budget is expected to be achieved.
Operating Grants & Subsidies	6,107,842	7,083,150	(975,308)	Unfavourable	Less than YTD budget due to the timing of the receipt of grants funds particularly NDRRA.
Interest Earned	1,874,640	1,275,125	599,515	Favourable	Due to interest earned on reserve funds held, offset by transfer to reserve to assist in retaining the purchasing power of reserve funds.
Other Revenue	1,591,821	1,856,017	(264,196)	Unfavourable	Slightly less than YTD budget, however budget is expected to be achieved.

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013

EXPENDITURE

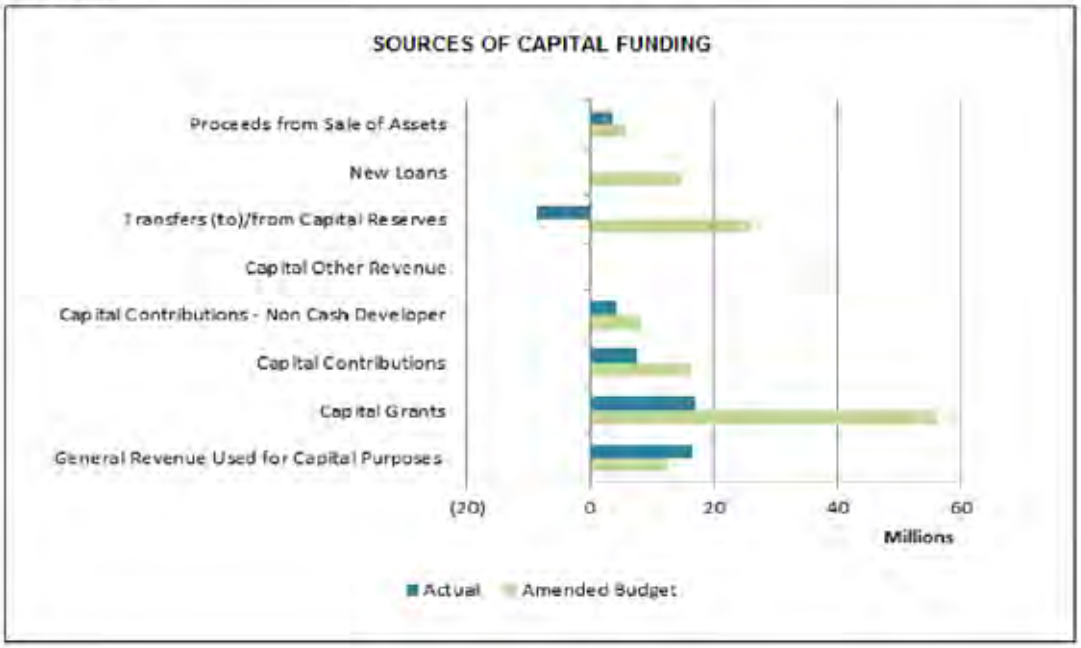


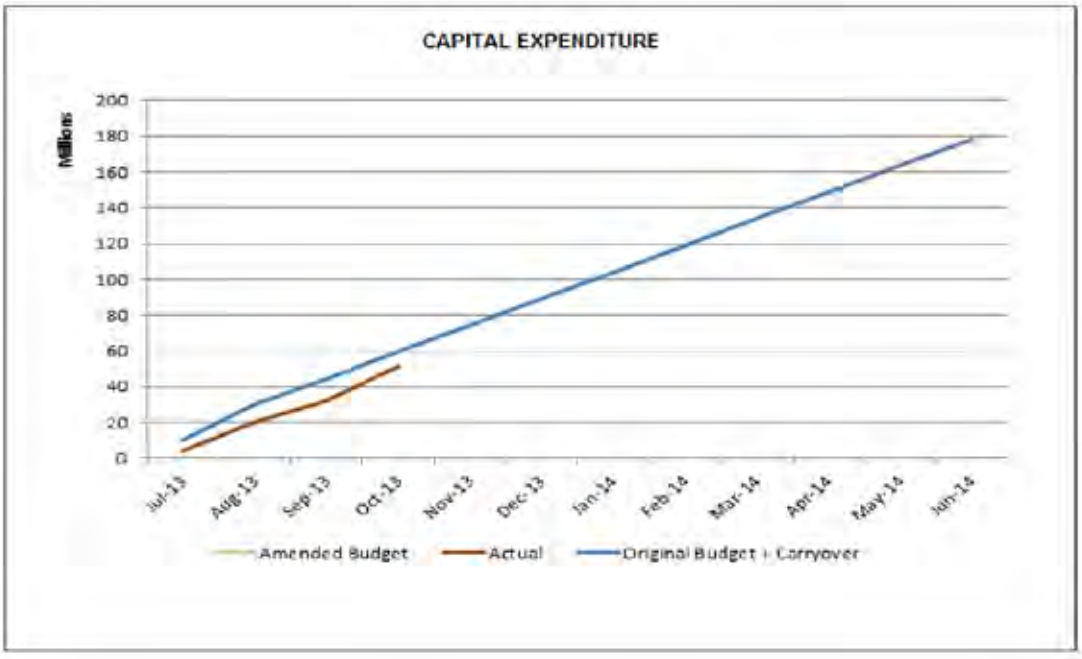
SIGNIFICANT VARIANCE EXPLANATIONS - EXPENSES					
Description	Actual YTD $	Amended Budget YTD $	Variance of Actual against Budget YTD		
Employee costs	26,697,251	27,278,408	(581,157)	Favourable	Slightly below YTD budget at this stage.
Goods, Services & Other Operational Costs	29,765,658	29,459,327	306,331	Unfavourable	Slightly above YTD budget due to some unexpected expenditure. This will be addressed at the September Budget review
Finance costs	3,593,721	3,601,825	(8,104)	Favourable	Currently on budget.
Other expenses	4,231,581	1,833,410	2,398,171	Unfavourable	Well above YTD predominately through annual insurance premiums and higher than anticipated legal fees.

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE
REPORT FOR THE MONTH OF OCTOBER 2013

CAPITAL





MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013

BUDGET SNAPSHOT - COUNCIL BY FUND

	GENERAL (excluding NDRRA)			NDRRA		
	Amd Budget 2013 / 2014	Actual 2013 / 2014	%	Amd Budget 2013 / 2014	Actual 2013 / 2014	%
Operating Revenue						
Rates & Utility Charges	112,843,935	54,914,862	48.66%	-	-	0.00%
Less: Discounts and Remissions	(12,013,067)	(5,612,213)	46.72%	-	-	0.00%
Fees & Charges	12,946,298	5,208,732	40.23%	-	-	0.00%
Sales - Contract & Recoverable Work	3,597,275	780,624	21.71%	-	-	0.00%
Operating Grants & Subsidies	7,762,729	2,222,493	28.63%	13,485,723	3,982,431	29.79%
Operating Contributions	-	68,751	100.00%	-	-	0.00%
Interest Earned	2,225,375	844,889	37.97%	-	-	0.00%
Other Revenue	5,095,776	1,473,494	28.92%	-	-	0.00%
Community Services Obligations	(313,066)	(104,356)	33.33%	-	-	0.00%
Internal Transfer - Income	19,070,147	7,940,090	41.64%	-	(48,329)	100.00%
Internal Revenue Distribution	(3,200,000)	(27,217,210)	850.54%	3,200,000	27,217,210	850.54%
	$ 146,017,501	$ 40,520,346		$ 16,685,723	$ 31,051,321	
Less: Operating Expenses						
Employee Cost	64,996,619	20,757,506	31.94%	501,025	521,276	104.04%
Goods, Services & Other Operational Costs	50,796,827	19,761,353	38.94%	2,179,490	1,885,919	86.53%
Transfer from Capital re Loss on Disposal of Assets	-	1,012,929	100.00%	-	-	0.00%
Finance Costs (Incl Interest Expense)	6,167,911	1,595,040	25.86%	-	-	0.00%
Other Expenses	4,156,930	3,032,724	72.96%	-	-	0.00%
Depreciation	37,500,000	12,500,000	33.33%	-	-	0.00%
Corporate Overheads & Competitive Neutrality Costs	(8,093,872)	(2,697,957)	33.33%	-	-	0.00%
Internal Transfers - Expenses	13,078,176	4,163,707	31.84%	6,548	1,126,671	20305.69%
	$ 168,592,591	$ 60,175,201		$ 2,686,063	$ 3,533,866	
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	(1,012,929)	100.00%	-	-	0.00%
Retained Surplus (Deficit) Brought Forward from Prior	-	-	0.00%	-	-	0.00%
Transfer from Capital for Unfunded Depreciation	(2,000,000)	(666,667)	33.33%	-	-	0.00%
Transfer (to) Capital General Revenue Expended	(2,620,019)	1,973,845	-75.34%	3,200,000	12,118,457	378.70%
Inter-Function Dividends & Return on Capital	(12,220,000)	(4,073,333)	33.33%			0.00%
Transfers from Reserves	(8,691,507)	(2,695,674)	31.34%	(4,599,438)	-	-100.00%
Transfers to Reserves	4,766,436	2,433,532	51.06%	15,399,098	15,399,098	100.00%
	($ 20,675,090)	($ 4,041,025)		$ 13,999,660	$ 27,517,555	
Operating Surplus (Deficit)	$ -	($ 15,613,830)		$ -	$ -	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	(2,620,019)	1,973,845	-75.34%	3,200,000	12,118,457	378.70%
Capital Grants	12,727,386	1,764,098	13.86%	43,268,535	15,079,890	34.85%
Capital Contributions	6,266,869	3,380,030	54.29%	-	-	0.00%
Capital Contributions - Non Cash Developer	4,000,000	4,180,456	104.51%	-	-	0.00%
Capital Other Revenue	26,503	32,727	123.02%	-	-	0.00%
Capital Internal Transfers - Revenue	4,544,151	(35,123)	-0.77%	418,353	-	-100.00%
Transfers from Capital Reserves	37,667,710	17,949,467	47.65%	7,834,656	2,668,547	34.32%
Transfers to Capital Reserves	(21,218,653)	(18,302,631)	86.26%	(20,232,840)	(20,284,022)	100.26%
New Loans	7,459,043	-	-100.00%	-	-	0.00%
Proceeds from Sale of Assets	5,746,336	3,591,503	62.50%	-	-	0.00%
Funded Depreciation	35,000,000	11,833,333	33.33%	-	-	0.00%
Capital Funding Brought Forward	-	-	0.00%	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%	-	-	0.00%
	$ 80,093,425	$ 26,384,625		$ 34,488,904	$ 9,601,972	
Capital Expenditure						
Capital Expenditure	77,846,211	19,354,124	24.86%	29,526,200	9,593,768	32.49%
Capital Internal Transfers - Expense	3,966,355	1,769,029	44.60%	4,962,704	8,204	0.17%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	4,000,000	4,180,456	104.51%	-	-	0.00%
Loan Repayments	4,206,859	1,061,015	25.22%	-	-	0.00%
	$ 80,093,425	$ 26,384,625		$ 34,488,904	$ 9,601,972	

MACKAY REGIONAL COUNCIL **EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013**

BUDGET SNAPSHOT - COUNCIL BY FUND CONT'D

	WATER			WASTE WATER		
	Amd Budget 2013 / 2014	Actual 2013 / 2014	%	Amd Budget 2013 / 2014	Actual 2013 / 2014	%
Operating Revenue						
Rates & Utility Charges	38,469,426	19,553,930	50.83%	44,194,553	21,941,705	49.66%
Less: Discounts and Remissions	(1,969,315)	(925,048)	49.71%	(2,949,674)	(1,960,936)	49.76%
Fees & Charges	2,078,900	851,112	40.95%	2,123,422	864,887	40.26%
Sales - Contract & Recoverable Work	1,810,000	769,053	42.49%	1,300,000	589,254	45.33%
Operating Grants & Subsidies	-	-	0.00%	-	-	0.00%
Operating Contributions	-	-	0.00%	-	-	0.00%
Interest Earned	750,000	430,209	57.36%	375,000	478,196	127.52%
Other Revenue	115,560	91,899	79.52%	-	-	0.00%
Community Services Obligations	39,957	13,319	33.33%	137,843	45,948	33.33%
Internal Transfer - Income	928,680	808,965	87.24%	406,079	119,029	29.31%
Internal Revenue Contribution	-	-	0.00%	-	-	0.00%
	$ 42,432,791	$ 21,193,411		$ 44,586,223	$ 22,097,983	
Less: Operating Expenses						
Employee Cost	7,913,239	2,692,787	34.03%	6,915,571	2,187,553	31.63%
Goods, Services & Other Operational Costs	8,716,216	2,632,390	29.06%	10,460,396	2,468,916	23.61%
Transfer from Capital re Loss on Disposal of Assets	-	183,332	100.00%	-	203,575	100.00%
Finance Costs (incl Interest Expenses)	2,552,804	842,389	25.16%	4,181,369	984,019	23.53%
Other Expenses	445,500	341,345	76.62%	722,100	760,291	105.29%
Depreciation	7,042,704	2,347,568	33.33%	9,193,392	3,064,464	33.33%
Corporate Overheads & Competitive Neutrality Costs	3,296,610	1,098,870	33.33%	3,350,475	1,116,825	33.33%
Internal Transfers - Expenses	1,808,120	682,024	37.70%	1,267,415	378,856	29.07%
	$ 31,775,193	$ 10,520,705		$ 26,090,718	$ 11,165,499	
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	(183,332)	100.00%	-	(203,575)	100.00%
Retained Surplus (Deficit) Brought Forward from Prior	-	-	0.00%	-	-	0.00%
Transfer from Capital for Unfunded Depreciation	-	-	0.00%	-	-	0.00%
Transfer (to) Capital General Revenue Expended	4,497,371	709,922	15.80%	3,170,549	394,804	12.45%
Inter Function Dividends & Return on Capital	6,000,000	2,000,000	33.33%	4,810,000	1,603,333	33.33%
Transfers from Reserves	(79,773)	(79,773)	100.00%	(459,672)	(459,672)	100.00%
Transfers to Reserves	250,000	302,095	120.84%	974,629	1,281,665	131.50%
	$ 10,667,598	$ 2,747,912		$ 8,495,506	$ 2,616,555	
Operating Surplus (Deficit)	$ -	$ 7,924,794		$ -	$ 8,295,929	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	4,497,371	709,922	15.80%	3,170,549	394,804	12.45%
Capital Grants	-	92,170	100.00%	-	-	0.00%
Capital Contributions	4,869,565	2,629,589	54.00%	4,869,565	1,676,763	34.43%
Capital Contributions - Non Cash Developer	2,000,000	-	100.00%	2,000,000	-	100.00%
Capital Other Revenue	-	-	0.00%	-	-	0.00%
Capital Internal Transfers - Revenue	-	-	0.00%	-	-	0.00%
Transfers from Capital Reserves	5,049,967	2,366,550	46.86%	25,370,675	10,569,046	41.66%
Transfers to Capital Reserves	(4,900,754)	(2,960,778)	54.29%	(5,275,345)	(2,082,645)	39.48%
New Loans	7,197,144	-	100.00%	-	-	0.00%
Proceeds from Sale of Assets	-	-	0.00%	-	-	0.00%
Funded Depreciation	7,042,704	2,347,568	33.33%	9,193,392	3,064,464	33.33%
Capital Funding Brought Forward	-	-	0.00%	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%	-	-	0.00%
	$ 25,745,997	$ 5,484,021		$ 39,328,834	$ 13,622,534	
Capital Expenditure						
Capital Expenditure	21,456,339	4,754,567	22.17%	34,264,656	12,830,366	37.44%
Capital Internal Transfers - Expense	162,365	120,116	73.98%	57,586	21,072	36.59%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	2,000,000	-	100.00%	2,000,000	-	100.00%
Loan Repayments	2,133,293	609,338	28.56%	3,006,360	771,096	25.65%
	$ 25,745,997	$ 5,484,021		$ 39,328,834	$ 13,622,534	

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013

BUDGET SNAPSHOT - COUNCIL BY FUND CONT'D

	WASTE SERVICES			Total		
	Amd Budget 2013 / 2014	Actual 2013 / 2014	%	Amd Budget 2013 / 2014	Actual 2013 / 2014	%
Operating Revenue						
Rates & Utility Charges	19,217,731	10,250,127	53.34%	214,714,745	106,660,624	49.68%
Less: Discounts and Remissions	(1,136,348)	(585,080)	51.49%	(18,749,904)	(8,983,185)	47.91%
Fees & Charges	9,160,804	2,840,017	31.00%	26,399,624	9,754,546	37.08%
Sales - Contract & Recoverable Work	-	-	0.00%	6,707,275	2,139,111	31.09%
Operating Grants & Subsidies	-	2,929	100.00%	21,249,451	6,107,842	28.74%
Operating Contributions	-	-	0.00%	-	68,751	100.00%
Interest Earned	475,000	121,346	25.55%	3,825,375	1,874,640	49.01%
Other Revenue	359,712	26,429	7.41%	5,560,051	1,591,021	28.59%
Community Services Obligations	135,266	45,089	33.33%	-	-	0.00%
Internal Transfer - Income	488,429	41,614	8.52%	26,794,315	9,361,368	40.21%
Internal Revenue Distribution	-	-	0.00%	-	-	0.00%
	$ 28,696,594	$ 12,742,459		$ 280,418,932	$ 127,575,529	
Less: Operating Expenses						
Employee Cost	1,508,771	536,129	35.57%	81,835,225	26,697,251	32.62%
Goods, Services & Other Operational Costs	16,226,053	3,107,080	19.15%	88,377,982	29,765,658	33.68%
Transfer from Capital re Loss on Disposal of Assets	-	-	0.00%	-	1,399,735	100.00%
Finance Costs (incl Interest Expense)	1,505,219	372,273	24.73%	14,407,200	3,803,721	26.94%
Other Expenses	175,700	97,221	55.33%	5,500,230	4,231,581	76.93%
Depreciation	1,856,592	618,531	33.33%	55,691,688	18,530,563	33.33%
Corporate Overheads & Competitive Neutrality Costs	1,356,787	452,262	33.33%	-	-	0.00%
Internal Transfers - Expenses	447,747	47,617	10.63%	16,608,008	6,399,776	38.53%
	$ 23,075,865	$ 5,233,113		$ 262,320,430	$ 90,618,284	
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	-	0.00%	-	(1,399,735)	100.00%
Retained Surplus (Deficit) Brought Forward from Prior	-	-	0.00%	-	-	0.00%
Transfer from Capital for Unfunded Depreciation			0.00%	(2,099,000)	(566,897)	33.33%
Transfer (to) Capital General Revenue Expended	4,521,685	1,188,816	26.29%	12,759,585	16,384,844	128.41%
Inter-Function Dividends & Return on Capital	1,419,000	470,000	33.32%	-	-	0.00%
Transfers from Reserves	(460,856)	(356,843)	77.42%	(14,201,246)	(3,691,892)	25.99%
Transfers to Reserves	159,000	85,079	56.72%	21,540,163	19,901,469	92.54%
	$ 5,620,829	$ 1,387,052		$ 18,099,502	$ 30,228,049	
Operating Surplus (Deficit)	$ -	$ 6,122,294		$ -	$ 6,729,197	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	4,521,685	1,188,816	26.29%	12,759,585	16,384,844	128.41%
Capital Grants	-	-	0.00%	55,996,820	16,936,158	30.25%
Capital Contributions	-	-	0.00%	16,999,999	7,703,282	48.15%
Capital Contributions - Non Cash Developer	-	-	0.00%	8,000,000	4,180,456	52.26%
Capital Other Revenue	-	-	0.00%	26,603	32,727	123.02%
Capital Internal Transfers - Revenue	-	-	0.00%	4,862,704	(35,123)	-0.71%
Transfers from Capital Reserves	1,653,261	1,210,608	73.22%	77,679,269	34,784,140	44.78%
Transfers to Capital Reserves	-	-	0.00%	(51,627,563)	(43,336,876)	83.93%
New Loans	-	-	0.00%	14,656,187	-	-100.00%
Proceeds from Sale of Assets	-	-	0.00%	5,746,336	3,591,603	62.50%
Funded Depreciation	1,856,592	618,531	33.33%	53,691,688	17,863,896	33.33%
Capital Funding Brought Forward	-	-	0.00%	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%	-	-	0.00%
	$ 8,030,538	$ 3,017,955		$ 197,697,698	$ 58,111,007	
Capital Expenditure						
Capital Expenditure	5,694,023	2,691,159	40.20%	169,775,639	49,223,984	28.99%
Capital Internal Transfers - Expense	-	8,951	100.00%	9,149,912	1,926,472	21.06%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	-	-	0.00%	8,000,000	4,180,456	52.26%
Loan Repayments	1,336,515	316,845	23.64%	10,763,047	2,780,095	25.83%
	$ 8,030,538	$ 3,017,955		$ 197,697,698	$ 58,111,007	

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013

BUDGET SNAPSHOT – BY DEPARTMENT

	Corporate Revenue and Expenses			Office of Mayor and CEO		
	Amd Budget 2013 / 2014	Actual 2013 / 2014	%	Amd Budget 2013 / 2014	Actual 2013 / 2014	%
Operating Revenue						
Rates & Utility Charges	106,560,772	51,752,949	48.57%	-	-	0.00%
Less: Discounts and Remissions	(12,004,197)	(5,589,853)	46.57%	-	-	0.00%
Fees & Charges	715,000	187,495	26.22%	-	(318)	100.00%
Sales - Contract & Reconverable Work	-	-	0.00%	-	7,250	100.00%
Operating Grants & Subsidies	5,000,000	748,026	12.47%	165,500	864,984	504.49%
Operating Contributions	-	-	0.00%	-	-	0.00%
Interest Earned	2,235,375	486,778	21.87%	-	149	100.00%
Other Revenue	165,000	116,675	70.71%	-	734	100.00%
Community Services Obligations	(313,000)	(104,355)	33.33%	-	-	0.00%
Internal Transfer - Income	19,000	-	-100.00%	-	818	100.00%
Internal Revenue Distribution	(110,008,411)	(66,313,138)	60.28%	5,182,400	1,324,169	25.55%
	($ 6,640,527)	($ 16,715,423)		$ 5,327,900	$ 2,197,776	
Less: Operating Expenses						
Employee Cost	(2,585,354)	(1,810,013)	70.01%	4,035,827	1,219,953	30.23%
Goods, Services & Other Operational Costs	5,483,880	2,010,146	36.76%	1,999,238	1,342,504	70.43%
Transfer from Capital re Loss on Disposal of Assets	-	-	0.00%	-	-	0.00%
Finance Costs (incl Interest Expense)	6,072,411	1,680,716	26.03%	-	-	0.00%
Other Expenses	285,950	287,946	100.69%	25,000	101,156	404.62%
Depreciation	37,500,000	12,500,000	33.33%	-	-	0.00%
Corporate Overheads & Competitive Neutrality Costs	(8,003,872)	(2,667,957)	33.33%	-	-	0.00%
Internal Transfers - Expenses	19,000	-	-100.00%	18,306	10,129	55.33%
	$ 38,772,045	$ 11,900,838		$ 6,065,371	$ 2,673,742	
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	-	0.00%	-	-	0.00%
Retained Surplus (Deficit) Brought Forward from Prior	-	-	0.00%	-	-	0.00%
Transfer from Capital for Unfunded Depreciation	(2,000,000)	(666,667)	33.33%	-	-	0.00%
Transfer (to) Capital General Revenue Expended	(31,213,141)	(10,752,317)	34.45%	-	19,276	100.00%
Inter-Function Dividends & Return on Capital	(12,220,000)	(4,073,333)	33.33%	-	-	0.00%
Transfers from Reserves	(1,530,243)	-	-100.00%	(657,471)	(485,242)	73.83%
Transfers to Reserves	1,550,812	483,886	31.20%	-	-	0.00%
	($ 45,412,572)	($ 15,008,431)		($ 657,471)	($ 475,966)	
Operating Surplus (Deficit)	$ -	($ 15,613,830)		$ -	$ -	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	(31,213,141)	(10,752,317)	34.45%	-	19,276	100.00%
Capital Grants	-	-	0.00%	-	-	0.00%
Capital Contributions	-	-	0.00%	-	-	0.00%
Capital Contributions - Non Cash Developer	-	-	0.00%	-	-	0.00%
Capital Other Revenue	-	-	0.00%	-	-	0.00%
Capital Internal Transfers - Revenue	-	-	0.00%	-	-	0.00%
Transfers from Capital Reserves	-	-	0.00%	-	-	0.00%
Transfers to Capital Reserves	-	-	0.00%	-	-	0.00%
New Loans	-	-	0.00%	-	-	0.00%
Proceeds from Sale of Assets	-	-	0.00%	-	-	0.00%
Funded Depreciation	35,500,000	11,833,333	33.33%	-	-	0.00%
Capital Funding Brought Forward	-	-	0.00%	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%	-	-	0.00%
	$ 4,286,859	$ 1,081,016		$ -	$ 19,276	
Capital Expenditure						
Capital Expenditure	-	-	0.00%	-	19,276	100.00%
Capital Internal Transfers - Expense	-	-	0.00%	-	-	0.00%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	-	-	0.00%	-	-	0.00%
Loan Repayments	4,286,859	1,081,016	25.22%	-	-	0.00%
	$ 4,286,859	$ 1,081,016		$ -	$ 19,276	

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013

BUDGET SNAPSHOT – BY DEPARTMENT CONT'D

	Development Services			Organisational Services		
	Amd Budget 2013 / 2014	Actual 2013 / 2014	%	Amd Budget 2013 / 2014	Actual 2013 / 2014	%
Operating Revenue						
Rates & Utility Charges	1,006,877	498,745	49.53%	-	-	0.00%
Less: Discounts and Remissions	(999)	(465)	51.78%	-	-	0.00%
Fees & Charges	8,816,299	3,184,314	36.12%	170,000	46,814	27.42%
Sales - Contract & Recoverable Work	-	-	0.00%	-	-	0.00%
Operating Grants & Subsidies	-	-	0.00%	180,000	34,415	19.12%
Operating Contributions	-	98,751	100.00%	-	-	0.00%
Interest Earned	-	2,670	100.00%	-	-	0.00%
Other Revenue	175,000	145,954	82.93%	3,000	16,722	557.40%
Community Services Obligations	-	-	0.00%	-	-	0.00%
Internal Transfer - Income	125,000	37,922	30.34%	13,820,868	6,210,031	44.93%
Internal Revenue Distribution	4,600,791	562,441	12.01%	19,271,175	4,782,634	24.82%
	$ 14,723,068	$ 4,490,351		$ 33,445,033	$ 11,090,416	
Less: Operating Expenses						
Employee Cost	9,876,924	3,406,266	34.49%	13,360,879	4,764,679	35.66%
Goods, Services & Other Operational Costs	3,549,283	765,813	21.57%	10,342,490	4,562,746	44.12%
Transfer from Capital re Loss on Disposal of Assets	-	-	0.00%	-	-	0.00%
Finance Costs (incl Interest Expense)	21,000	3,292	15.68%	20,000	4,319	21.60%
Other Expenses	1,327,700	737,196	55.52%	2,121,000	1,603,762	75.60%
Depreciation	-	-	0.00%	-	-	0.00%
Corporate Overheads & Competitive Neutrality Costs	-	-	0.00%	-	-	0.00%
Internal Transfers - Expenses	672,141	215,071	32.15%	429,174	185,989	44.29%
	$ 15,547,048	$ 5,148,638		$ 26,264,543	$ 11,021,494	
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	-	0.00%	-	-	0.00%
Retained Surplus (Deficit) Brought Forward from Prior	-	-	0.00%	-	-	0.00%
Transfer from Capital for Unfunded Depreciation	-	-	0.00%	-	-	0.00%
Transfer (to) Capital General Revenue Expended	-	(443,809)	100.00%	7,378,664	217,436	2.95%
Inter-Function Dividends & Return on Capital	-	-	0.00%	-	-	0.00%
Transfers from Reserves	(1,628,659)	(715,437)	39.10%	(198,174)	(148,514)	74.94%
Transfers to Reserves	1,005,970	500,959	49.80%	-	-	0.00%
	($ 823,980)	($ 658,287)		$ 7,180,490	$ 68,922	
Operating Surplus (Deficit)	$ -	$ -		$ -	$ -	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	-	(443,809)	100.00%	7,378,664	217,436	2.95%
Capital Grants	8,575,257	14,000	0.16%	-	-	0.00%
Capital Contributions	-	31,561	100.00%	-	-	0.00%
Capital Contributions - Non Cash Developer	-	-	0.00%	-	-	0.00%
Capital Other Revenue	-	-	0.00%	-	-	0.00%
Capital Internal Transfers - Revenue	-	-	0.00%	-	12,650	100.00%
Transfers from Capital Reserves	6,313,881	903,971	9.57%	3,674,992	1,606,422	43.71%
Transfers to Capital Reserves	-	(31,561)	100.00%	-	-	0.00%
New Loans	-	-	0.00%	-	-	0.00%
Proceeds from Sale of Assets	-	-	0.00%	2,446,336	286,643	11.72%
Funded Depreciation	-	-	0.00%	-	-	0.00%
Capital Funding Brought Forward	-	-	0.00%	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%	-	-	0.00%
	$ 14,889,138	$ 174,162		$ 13,499,993	$ 2,123,160	
Capital Expenditure						
Capital Expenditure	14,889,138	171,506	1.15%	13,499,993	1,540,872	11.41%
Capital Internal Transfers - Expense	-	2,656	100.00%	-	582,288	100.00%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	-	-	0.00%	-	-	0.00%
Loan Repayments	-	-	0.00%	-	-	0.00%
	$ 14,889,138	$ 174,162		$ 13,499,993	$ 2,123,160	

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013

BUDGET SNAPSHOT – BY DEPARTMENT CONT'D

	Community and Client Services			Engineering		
	Amd Budget 2013 / 2014	Actual 2013 / 2014	%	Amd Budget 2013 / 2014	Actual 2013 / 2014	%
Operating Revenue						
Rates & Utility Charges	1,531,126	780,502	50.98%	3,744,260	1,882,666	50.28%
Less: Discounts and Remissions	(2,442)	(6,455)	264.33%	(5,530)	(15,440)	279.20%
Fees & Charges	3,178,000	1,768,792	55.66%	70,000	21,835	31.19%
Sales - Contract & Recoverable Work	-	95,151	100.00%	3,597,275	678,423	18.86%
Operating Grants & Subsidies	1,409,228	534,550	37.93%	29,000	40,500	139.66%
Operating Contributions	-	-	0.00%	-	-	0.00%
Interest Earned	-	118,239	100.00%	-	237,044	100.00%
Other Revenue	4,400,650	1,124,476	25.55%	351,120	68,923	19.63%
Community Services Obligations	-	-	0.00%	-	-	0.00%
Internal Transfer - Income	170,245	408,021	231.51%	4,929,044	1,283,297	26.04%
Internal Revenue Distribution	38,357,647	10,507,979	27.39%	39,396,398	21,928,724	55.66%
	$ 49,050,454	$ 15,331,254		$ 52,111,573	$ 26,125,972	
Less: Operating Expenses						
Employee Cost	24,290,632	8,045,405	33.12%	16,017,711	5,131,217	32.03%
Goods, Services & Other Operational Costs	20,450,755	6,956,739	34.07%	8,964,181	4,107,404	45.82%
Transfer from Capital re Loss on Disposal of Assets		239,758	100.00%		773,070	100.00%
Finance Costs (Incl Interest Expense)	54,500	6,712	12.32%	-	-	0.00%
Other Expenses	380,250	363,456	95.58%	17,000	39,206	230.62%
Depreciation	-	-	0.00%	-	-	0.00%
Corporate Overheads & Competitive Neutrality Costs			0.00%			0.00%
Internal Transfers - Expenses	3,396,925	1,518,003	44.97%	8,652,630	2,203,516	25.47%
	$ 48,472,062	$ 17,170,075		$ 33,651,522	$ 12,254,412	
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	(239,758)	100.00%	-	(773,070)	100.00%
Retained Surplus (Deficit) Brought Forward from Prior	-	-	0.00%	-	-	0.00%
Transfer from Capital for Unfunded Depreciation			0.00%			0.00%
Transfer (to) Capital General Revenue Expended	2,539,717	(1,543,834)	-60.79%	18,674,742	14,477,096	77.52%
Inter-Function Dividends & Return on Capital	-		0.00%	-	-	0.00%
Transfers from Reserves	(3,490,009)	(947,377)	27.14%	(896,662)	(389,056)	43.44%
Transfers to Reserves	1,628,684	892,988	54.84%	680,961	556,599	81.74%
	$ 578,392	($ 1,938,021)		$ 18,460,951	$ 13,871,569	
Operating Surplus (Deficit)	$ -	$ -		$ -	$ -	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	2,539,717	(1,543,834)	-60.79%	18,674,742	14,477,096	77.52%
Capital Grants	1,012,348	8,536	0.84%	3,139,780	1,741,562	55.47%
Capital Contributions	1,843,478	886,574	94.58%	5,217,391	2,378,695	45.59%
Capital Contributions - Non Cash Developer	-	-	0.00%	4,000,000	4,180,456	104.51%
Capital Other Revenue	-	32,727	100.00%	26,603	-	-100.00%
Capital Internal Transfers - Revenue	-	-	0.00%	4,544,151	(47,781)	-1.05%
Transfers from Capital Reserves	7,654,826	3,540,335	46.25%	20,024,010	12,198,758	60.92%
Transfers to Capital Reserves	(4,399,392)	(4,290,506)	97.52%	(16,819,261)	(13,980,565)	83.12%
New Loans	-	-	0.00%	7,459,043	-	-100.00%
Proceeds from Sale of Assets	3,300,900	3,304,899	100.15%	-	-	0.00%
Funded Depreciation	-	-	0.00%	-	-	0.00%
Capital Funding Brought Forward	-	-	0.00%	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%	-	-	0.00%
	$ 11,150,977	$ 2,038,792		$ 46,266,459	$ 20,948,221	
Capital Expenditure						
Capital Expenditure	11,150,977	2,025,330	18.16%	38,300,103	15,597,141	40.72%
Capital Internal Transfers - Expense	-	13,462	100.00%	3,966,356	1,170,924	29.51%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	-	-	0.00%	4,000,000	4,180,456	104.51%
Loan Repayments	-	-	0.00%	-	-	0.00%
	$ 11,150,977	$ 2,038,792		$ 46,266,459	$ 20,948,221	

MACKAY REGIONAL COUNCIL **EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013**

BUDGET SNAPSHOT – BY DEPARTMENT CONT'D

	NDRRA			Commercial Infrastructure		
	Amd Budget 2013 / 2014	Actual 2013 / 2014	%	Amd Budget 2013 / 2014	Actual 2013 / 2014	%
Operating Revenue						
Rates & Utility Charges	-	-	0.00%	101,871,710	51,745,762	50.80%
Less: Discounts and Remissions	-	-	0.00%	(6,736,837)	(3,376,972)	50.12%
Fees & Charges	-	-	0.00%	13,361,329	4,646,816	34.77%
Sales - Contract & Recoverable Work	-	-	0.00%	3,110,000	1,358,287	43.67%
Operating Grants & Subsidies	15,485,723	3,682,431	23.79%	-	2,928	100.00%
Operating Contributions	-	-	0.00%	-	-	0.00%
Interest Earned	-	-	0.00%	1,600,000	1,029,751	64.36%
Other Revenue	-	-	0.00%	472,275	118,327	25.05%
Community Services Obligations	-	-	0.00%	313,046	104,355	33.33%
Internal Transfer - Income	-	(48,320)	100.00%	1,724,150	469,599	27.24%
Internal Revenue Distribution	3,200,000	27,217,210	850.54%	-	-	0.00%
	$ 18,685,723	$ 31,051,321		$ 115,715,708	$ 56,003,853	
Less: Operating Expenses						
Employee Cost	501,025	521,279	104.04%	16,337,581	5,418,469	33.17%
Goods, Services & Other Operational Costs	2,179,490	1,695,919	86.53%	35,401,565	8,059,287	22.68%
Transfer from Capital re Loss on Disposal of Assets	-	-	0.00%	-	386,907	100.00%
Finance Costs (incl Interest Expense)	-	-	0.00%	8,239,388	1,998,682	24.26%
Other Expenses	-	-	0.00%	1,343,300	1,198,957	89.25%
Depreciation	-	-	0.00%	18,091,588	6,030,563	33.33%
Corporate Overheads & Competitive Neutrality Costs	-	-	0.00%	8,003,872	2,667,957	33.33%
Internal Transfers - Expenses	5,548	1,126,571	20305.89%	3,524,282	1,109,497	31.48%
	$ 2,686,063	$ 3,343,769		$ 90,941,776	$ 26,869,319	
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	-	0.00%	-	(386,907)	100.00%
Retained Surplus (Deficit) Brought Forward from Prior	-	-	0.00%	-	-	0.00%
Transfer from Capital for Unfunded Depreciation	-	-	0.00%	-	-	0.00%
Transfer (to) Capital General Revenue Expended	3,200,000	12,118,457	378.70%	12,179,503	2,292,539	18.82%
Inter-Function Dividends & Return on Capital	-	-	0.00%	12,220,000	4,073,333	33.33%
Transfers from Reserves	(4,599,438)	-	-100.00%	(1,000,300)	(896,287)	89.60%
Transfers to Reserves	15,399,098	15,399,098	100.00%	1,374,829	1,668,839	121.40%
	$ 13,999,660	$ 27,517,555		$ 24,773,932	$ 6,751,517	
Operating Surplus (Deficit)	$ -	$ -		$ -	$ 22,343,017	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	3,200,000	12,118,457	378.70%	12,179,503	2,292,539	18.82%
Capital Grants	43,268,535	15,070,890	34.85%	-	92,179	100.00%
Capital Contributions	-	-	0.00%	9,739,130	4,306,352	44.22%
Capital Contributions - Non Cash Developer	-	-	0.00%	4,000,000	-	-100.00%
Capital Other Revenue	-	-	0.00%	-	-	0.00%
Capital Internal Transfers - Revenue	416,553	-	-100.00%	-	-	0.00%
Transfers from Capital Reserves	7,834,956	2,688,547	34.32%	32,073,903	14,146,106	44.10%
Transfers to Capital Reserves	(20,232,840)	(20,264,922)	100.26%	(10,176,100)	(4,743,322)	46.61%
New Loans	-	-	0.00%	7,197,144	-	-100.00%
Proceeds from Sale of Assets	-	-	0.00%	-	-	0.00%
Funded Depreciation	-	-	0.00%	18,091,588	6,030,563	33.33%
Capital Funding Brought Forward	-	-	0.00%	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%	-	-	0.00%
	$ 34,486,904	$ 9,601,972		$ 73,105,368	$ 22,124,408	
Capital Expenditure						
Capital Expenditure	29,526,200	9,593,769	32.49%	62,409,228	20,276,091	32.49%
Capital Internal Transfers - Expense	4,992,704	8,204	0.17%	219,952	149,238	67.85%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	-	-	0.00%	4,000,000	-	-100.00%
Loan Repayments	-	-	0.00%	8,476,188	1,699,079	20.24%
	$ 34,486,904	$ 9,601,972		$ 73,105,368	$ 22,124,408	

MACKAY REGIONAL COUNCIL **EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013**

BUDGET SNAPSHOT – BY DEPARTMENT CONT'D

	Total		
	Amd Budget 2013 / 2014	Actual 2013 / 2014	%
Operating Revenue			
Rates & Utility Charges	214,714,745	106,660,624	49.68%
Less: Discounts and Remissions	(18,749,904)	(8,983,185)	47.91%
Fees & Charges	26,309,624	9,754,548	37.08%
Sales - Contract & Recoverable Work	6,707,275	2,139,111	31.89%
Operating Grants & Subsidies	21,249,451	6,107,042	28.74%
Operating Contributions	-	68,751	100.00%
Interest Earned	3,825,375	1,874,640	49.01%
Other Revenue	5,568,051	1,591,821	28.59%
Community Services Obligations	-	-	0.00%
Internal Transfer - Income	20,794,315	8,361,368	40.21%
Internal Revenue Distribution	-	-	0.00%
	$ 280,418,932	$ 127,575,520	
Less: Operating Expenses			
Employee Cost	81,835,225	26,697,251	32.62%
Goods, Services & Other Operational Costs	88,377,982	29,765,658	33.68%
Transfer from Capital re Loss on Disposal of Assets	-	1,399,735	100.00%
Finance Costs (incl Interest Expense)	14,407,299	3,593,721	24.94%
Other Expenses	5,500,230	4,231,581	76.93%
Depreciation	55,591,688	18,530,563	33.33%
Corporate Overheads & Competitive Neutrality Costs	-	-	0.00%
Internal Transfers - Expenses	16,608,006	6,399,775	38.53%
	$ 262,320,430	$ 90,618,284	
Less: Transfers			
Transfer from Capital re Loss on Disposal of Assets	-	(1,399,735)	100.00%
Retained Surplus (Deficit) Brought Forward from Prior	-	-	0.00%
Transfer from Capital for Unfunded Depreciation	(2,000,000)	(666,667)	33.33%
Transfer (to) Capital General Revenue Expended	12,759,585	16,384,844	128.41%
Inter-Function Dividends & Return on Capital	-	-	0.00%
Transfers from Reserves	(14,201,246)	(3,591,862)	25.29%
Transfers to Reserves	21,540,163	19,501,469	90.54%
	$ 18,098,502	$ 30,228,049	
Operating Surplus (Deficit)	$ -	$ 6,729,187	
CAPITAL SUMMARY			
Capital Funding			
General Revenue Used for Capital Purposes	12,759,585	16,384,844	128.41%
Capital Grants	55,096,020	16,036,159	30.25%
Capital Contributions	15,999,999	7,703,282	48.15%
Capital Contributions - Non Cash Developer	8,000,000	4,180,456	52.26%
Capital Other Revenue	26,603	32,727	123.02%
Capital Internal Transfers - Revenue	4,962,704	(35,123)	-0.71%
Transfers from Capital Reserves	77,576,269	34,764,140	44.84%
Transfers to Capital Reserves	(51,627,593)	(43,330,876)	83.93%
New Loans	14,656,187	-	-100.00%
Proceeds from Sale of Assets	5,746,335	3,591,503	62.50%
Funded Depreciation	53,591,688	17,863,896	33.33%
Capital Funding Brought Forward	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%
	$ 197,687,698	$ 58,111,007	
Capital Expenditure			
Capital Expenditure	169,775,639	49,223,984	28.99%
Capital Internal Transfers - Expense	9,149,012	1,926,472	21.06%
Capital Expenditure (Carried Over)	-	-	0.00%
Capital - Non Cash Developer Contributions	8,000,000	4,180,456	52.26%
Loan Repayments	10,763,047	2,780,095	25.83%
	$ 197,687,698	$ 58,111,007	

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013

FINANCIAL PERFORMANCE REPORT – WATER & WASTE SERVICES

	Water			Waste Water		
	Amd Budget 2013 / 2014	Actual 2013 / 2014	%	Amd Budget 2013 / 2014	Actual 2013 / 2014	%
Operating Revenue						
Rates & Utility Charges	39,499,426	19,553,939	50.03%	44,184,553	21,941,705	49.66%
Less: Discounts and Remissions	(1,558,915)	(825,046)	49.71%	(3,940,674)	(1,950,836)	49.76%
Fees & Charges	2,070,000	851,112	40.86%	2,123,422	854,087	40.25%
Sales - Contract & Recoverable Work	1,810,000	769,033	42.49%	1,300,000	589,264	45.33%
Operating Grants & Subsidies	-	-	0.00%	-	-	0.00%
Operating Contributions	-	-	0.00%	-	-	0.00%
Interest Earned	750,000	428,209	57.36%	375,000	476,196	127.52%
Other Revenue	115,563	91,899	79.52%	-	-	0.00%
Community Services Obligations	39,667	13,219	33.33%	137,843	45,948	33.33%
Internal Transfer - Income	629,000	366,956	37.24%	400,079	119,029	29.31%
Internal Revenue Distribution	-	-	0.00%	-	-	0.00%
	$ 42,432,791	$ 21,193,411		$ 44,580,223	$ 23,067,393	
Less: Operating Expenses						
Employee Cost	7,913,239	2,692,787	34.03%	6,915,471	2,187,553	31.63%
Goods, Services & Other Operational Costs	9,715,216	2,532,399	29.06%	10,460,396	2,459,915	23.51%
Transfer from Capital re Loss on Disposal of Assets	-	183,332	100.00%	-	293,575	100.00%
Finance Costs (Incl Interest Expense)	2,562,804	642,389	25.16%	4,161,369	984,019	23.53%
Other Expenses	445,500	341,345	76.62%	722,100	700,291	105.29%
Depreciation	7,042,704	2,347,568	33.33%	9,193,392	3,064,464	33.33%
Corporate Overheads & Competitive Neutrality Costs	3,299,610	1,099,870	22.32%	3,269,476	1,110,625	23.22%
Internal Transfers - Expenses	1,669,120	682,024	37.76%	1,267,415	379,859	29.97%
	$ 31,775,193	$ 10,520,705		$ 35,090,719	$ 11,155,499	
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets		(183,332)	100.00%		(293,575)	100.00%
Retained Surplus (Deficit) Brought Forward from Prior Year	-	-	0.00%	-	-	0.00%
Transfer from Capital for Unfunded Depreciation	-	-	0.00%	-	-	0.00%
Transfer (to) Capital General Revenue Expenditure	4,487,371	708,922	15.80%	3,170,548	394,804	12.45%
Inter-Function Dividends & Return on Capital	6,000,000	2,000,000	33.33%	4,810,000	1,602,533	33.33%
Constrained funds carried forward	-	-	0.00%	-	-	0.00%
Transfers from Reserves	(79,773)	(79,773)	100.00%	(459,672)	(459,672)	100.00%
Transfers to Reserves	250,000	302,095	120.84%	974,829	1,281,666	131.50%
	$ 10,657,598	$ 2,747,912		$ 8,495,705	$ 2,616,555	
Operating Surplus (Deficit)	$ -	$ 7,924,794		$ -	$ 8,295,929	
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	4,487,371	708,922	15.80%	3,170,548	394,804	12.45%
Capital Grants	-	92,173	100.00%	-	-	0.00%
Capital Contributions	4,868,595	2,629,589	54.00%	4,868,595	1,676,763	34.43%
Capital Contributions - Non Cash Developer	2,000,000	-	-100.00%	2,000,000	-	-100.00%
Capital Other Revenue	-	-	0.00%	-	-	0.00%
Capital Internal Transfers - Revenue	-	-	0.00%	-	-	0.00%
Transfers from Capital Reserves	5,049,987	2,366,558	46.86%	25,370,675	10,569,049	41.66%
Transfers to Capital Reserves	(4,900,754)	(2,600,779)	54.29%	(5,275,349)	(2,092,545)	39.48%
New Loans	7,197,144		-100.00%	-	-	0.00%
Proceeds from Sale of Assets	-		0.00%	-	-	0.00%
Funded Depreciation	7,042,704	2,347,568	33.33%	9,193,392	3,064,464	33.33%
Capital Funding Brought Forward			0.00%			0.00%
Capital Funding Carried Forward			0.00%			0.00%
	$ 25,745,997	$ 5,484,021		$ 39,328,834	$ 13,622,534	
Capital Expenditure						
Capital Expenditure	21,450,339	4,754,567	22.17%	34,264,966	12,830,366	37.44%
Capital Internal Transfers - Expense	162,368	120,116	73.98%	57,568	21,072	36.59%
Capital Expenditure (Carried Over)	-	-	0.00%	-	-	0.00%
Capital - Non Cash Developer Contributions	2,000,000	-	-100.00%	2,000,000	-	-100.00%
Loan Repayments	2,133,293	609,338	28.56%	3,006,300	771,096	25.65%
	$ 25,746,997	$ 5,484,021		$ 39,328,834	$ 13,622,534	

MACKAY REGIONAL COUNCIL **EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013**

FINANCIAL PERFORMANCE REPORT – WATER & WASTE SERVICES CONT'D

	Water and Waste Services		
	Amd Budget 2013 / 2014	Actual 2013 / 2014	%
Operating Revenue			
Rates & Utility Charges	82,663,979	41,495,636	50.20%
Less: Discounts and Remissions	(5,600,489)	(2,785,882)	49.74%
Fees & Charges	4,201,422	1,705,799	40.60%
Sales - Contract & Recoverable Work	3,110,000	1,358,287	43.67%
Operating Grants & Subsidies	-	-	0.00%
Operating Contributions	-	-	0.00%
Interest Earned	1,125,000	908,405	80.75%
Other Revenue	115,563	91,899	79.52%
Community Services Obligations	177,800	59,267	33.33%
Internal Transfer - Income	1,235,739	427,984	34.63%
Internal Revenue Distribution	-	-	0.00%
	$ 87,019,014	$ 43,261,394	
Less: Operating Expenses			
Employee Cost	14,829,810	4,880,340	32.91%
Goods, Services & Other Operational Costs	19,175,612	4,991,306	26.03%
Transfer from Capital re Loss on Disposal of Assets	-	386,907	100.00%
Finance Costs (incl Interest Expense)	6,734,173	1,626,408	24.15%
Other Expenses	1,167,500	1,101,636	94.35%
Depreciation	16,236,096	5,412,032	33.33%
Corporate Overheads & Competitive Neutrality Costs	6,647,065	2,215,695	33.33%
Internal Transfers - Expenses	3,076,535	1,061,880	34.52%
	$ 67,866,911	$ 21,676,204	
Less: Transfers			
Transfer from Capital re Loss on Disposal of Assets	-	(386,907)	100.00%
Retained Surplus (Deficit) Brought Forward from Prior Year	-	-	0.00%
Transfer from Capital for Unfunded Depreciation	-	-	0.00%
Transfer (to) Capital General Revenue Expended	7,657,919	1,103,726	14.41%
Inter-Function Dividends & Return on Capital	10,810,000	3,603,333	33.33%
Constrained funds carried forward	-	-	0.00%
Transfers from Reserves	(539,445)	(539,445)	100.00%
Transfers to Reserves	1,224,629	1,583,760	129.33%
	$ 19,153,103	$ 5,364,467	
Operating Surplus (Deficit)	$ -	$ 16,220,723	
CAPITAL SUMMARY			
Capital Funding			
General Revenue Used for Capital Purposes	7,657,919	1,103,726	14.41%
Capital Grants	-	92,170	100.00%
Capital Contributions	9,739,130	4,308,352	44.22%
Capital Contributions - Non Cash Developer	4,000,000	-	-100.00%
Capital Other Revenue	-	-	0.00%
Capital Internal Transfers - Revenue	-	-	0.00%
Transfers from Capital Reserves	30,420,642	12,935,598	42.52%
Transfers to Capital Reserves	(10,176,100)	(4,743,323)	46.61%
New Loans	7,197,144	-	100.00%
Proceeds from Sale of Assets	-	-	0.00%
Funded Depreciation	16,236,096	5,412,032	33.33%
Capital Funding Brought Forward	-	-	0.00%
Capital Funding Carried Forward	-	-	0.00%
	$ 65,074,831	$ 19,106,555	
Capital Expenditure			
Capital Expenditure	55,715,205	17,584,933	31.56%
Capital Internal Transfers - Expense	219,953	141,189	64.19%
Capital Expenditure (Carried Over)	-	-	0.00%
Capital - Non Cash Developer Contributions	4,000,000	-	-100.00%
Loan Repayments	5,139,673	1,380,434	26.86%
	$ 65,074,831	$ 19,106,555	

FINANCIAL PERFORMANCE REPORT – WATER & WASTE SERVICES CONT'D

Water and Waste Services				
Description	Orig Budget 2013 / 2014	Amd Budget 2013 / 2014	YTD Budget 2013 / 2014	Actual 2013 / 2014
Operating Income	$87,019,013	$87,019,014	$29,006,338	$43,261,394
Operating Expenses	($67,326,466)	($67,865,911)	($22,621,970)	($21,676,204)
Net Operating Surplus before Tax	$19,692,548	$19,153,103	$6,384,368	$21,585,190

COMMENTS -

Revenue is substantially above YTD budget mainly due to 1st half yearly rates billing, including water consumption, being generated. All other revenue categories are also above YTD budget due to higher than anticipated demand for services. Other expenses are well above YTD budget due to annual insurance premiums being paid in July. All other expense catergories are on budget or below YTD budget at this stage. Goods and services is below YTD budget due to the timing of large contract payments.

MACKAY REGIONAL COUNCIL **EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013**

FINANCIAL PERFORMANCE REPORT – WASTE SERVICES

	Waste Services		
	Amd Budget 2013 / 2014	Actual 2013 / 2014	%
Operating Revenue			
Rates & Utility Charges	19,217,731	10,260,127	53.34%
Less: Discounts and Remissions	(1,136,348)	(585,090)	51.49%
Fees & Charges	9,159,994	2,840,017	31.00%
Sales - Contract & Recoverable Work	-	-	0.00%
Operating Grants & Subsidies	-	2,928	100.00%
Operating Contributions	-	-	0.00%
Interest Earned	475,000	121,346	25.55%
Other Revenue	356,712	26,428	7.41%
Community Services Obligations	135,266	45,089	33.33%
Internal Transfer - Income	409,429	41,614	0.52%
Internal Revenue Distribution	-	-	0.00%
	$ 28,696,694	$ 12,742,459	
Less: Operating Expenses			
Employee Cost	1,508,771	538,129	35.67%
Goods, Services & Other Operational Costs	16,226,053	3,107,080	19.15%
Transfer from Capital re Loss on Disposal of Assets	-	-	0.00%
Finance Costs (incl Interest Expense)	1,505,215	372,273	24.73%
Other Expenses	175,700	97,221	55.33%
Depreciation	1,855,592	618,531	33.33%
Corporate Overheads & Competitive Neutrality Costs	1,356,787	452,262	33.33%
Internal Transfers - Expenses	447,747	47,617	10.63%
	$ 23,075,865	$ 5,233,113	
Less: Transfers			
Transfer from Capital re Loss on Disposal of Assets	-	-	0.00%
Retained Surplus (Deficit) Brought Forward from Prior Year	-	-	0.00%
Transfer from Capital for Unfunded Depreciation	-	-	0.00%
Transfer (to) Capital General Revenue Expended	4,521,685	1,168,816	26.29%
Inter-Function Dividends & Return on Capital	1,410,000	470,000	33.33%
Constrained funds carried forward	-	-	0.00%
Transfers from Reserves	(460,856)	(356,843)	77.43%
Transfers to Reserves	150,000	85,079	56.72%
	$ 5,620,829	$ 1,367,052	
Operating Surplus (Deficit)	$ -	$ 6,122,294	
CAPITAL SUMMARY			
Capital Funding			
General Revenue Used for Capital Purposes	4,521,685	1,168,816	26.29%
Capital Grants	-	-	0.00%
Capital Contributions	-	-	0.00%
Capital Contributions - Non Cash Developer	-	-	0.00%
Capital Other Revenue	-	-	0.00%
Capital Internal Transfers - Revenue	-	-	0.00%
Transfers from Capital Reserves	1,653,261	1,210,508	73.22%
Transfers to Capital Reserves	-	-	0.00%
New Loans	-	-	0.00%
Proceeds from Sale of Assets	-	-	0.00%
Funded Depreciation	1,855,592	618,531	33.33%
Capital Funding Brought Forward			0.00%
Capital Funding Carried Forward			0.00%
	$ 8,030,538	$ 3,017,855	
Capital Expenditure			
Capital Expenditure	6,694,023	2,691,159	40.20%
Capital Internal Transfers - Expense	-	8,051	100.00%
Capital Expenditure (Carried Over)	-	-	0.00%
Capital - Non Cash Developer Contributions	-	-	0.00%
Loan Repayments	1,336,515	318,645	23.84%
	$ 8,030,538	$ 3,017,855	

FINANCIAL PERFORMANCE REPORT – WASTE SERVICES CONT'D

Mackay Waste Services				
Description	**Orig Budget 2013 / 2014**	**Amd Budget 2013 / 2014**	**YTD Budget 2013 / 2014**	**Actual 2013 / 2014**
Operating Income	$28,696,693	$28,696,694	$9,565,565	$12,742,459
Operating Expenses	($22,715,008)	($23,075,865)	($7,691,955)	($5,233,113)
Net Operating Surplus before Tax	$5,981,685	$5,620,829	$1,873,610	$7,509,346

COMMENTS -

Revenue is substantially above YTD budget mainly due to 1st half yearly rates billing being generated in July. All other revenue categories are below YTD budget at this stage due to timing differences Other expenses are well above YTD budget due to annual insurance premiums being paid in July. All other expense catergories are close to YTD budget at this stage except goods and services which is well below YTD budget due to the timing of large contract payments.

MACKAY REGIONAL COUNCIL

EXECUTIVE FINANCIAL PERFORMANCE REPORT FOR THE MONTH OF OCTOBER 2013

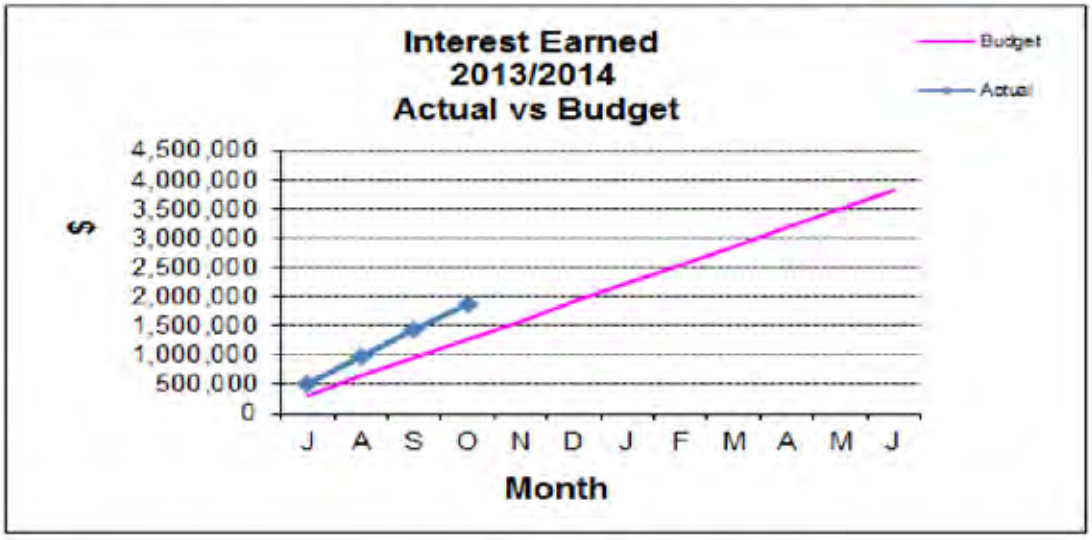
CRITICAL BUDGET SUCCESS FACTORS – INVESTMENTS

Investment	Bank	Term Deposits	QTC	Total	Interest Earned Year to Date
General					
Consolidated	1,800,908	1,000,000	3,231,253	6,032,161	161,192
	1,800,908	**1,000,000**	**3,231,253**	**6,032,161**	**161,192**
Cleansing	-	-	**271,968**	**271,968**	**24,033**
Mackay Water					
Sewerage	-	-	311,316	311,316	25,748
Water	-	-	615,688	615,688	27,806
	-	-	**927,004**	**927,004**	**53,554**
Reserves					
Capital Improvement	-	10,000,000	27,820,730	37,820,730	372,090
Off Street Parking	-	-	61,581	61,581	685
Cleansing	-	5,000,000	5,055,345	10,055,345	85,079
Sewerage	-	20,000,000	25,334,973	45,334,973	432,036
Water	-	20,000,000	12,644,748	32,644,748	302,095
Constrained Works - Recurrent	-	-	9,584,959	9,584,959	98,465
Constrained Works - Capital	-	5,000,000	13,726,107	18,726,107	90,770
Natural Environment	-	-	1,983,935	1,983,935	20,042
Natural Environment (Land Acq)	-	-	1,214,562	1,214,562	12,853
Slade Point	-	-	45,330	45,330	503
Pensioner Housing	-	-	95,919	95,919	1,109
Gravel Quarry	-	-	1,188,896	1,188,896	13,120
Disaster Response	-	-	479,665	479,665	4,781
City Centre	-	-	318,714	318,714	1,994
	-	**60,000,000**	**99,555,464**	**159,555,464**	**1,435,622**
Trust	**682,099**	-	**3,760,000**	**4,442,099**	-
Total Investment Interest	**2,483,007**	**61,000,000**	**107,745,689**	**171,228,696**	**1,674,401**

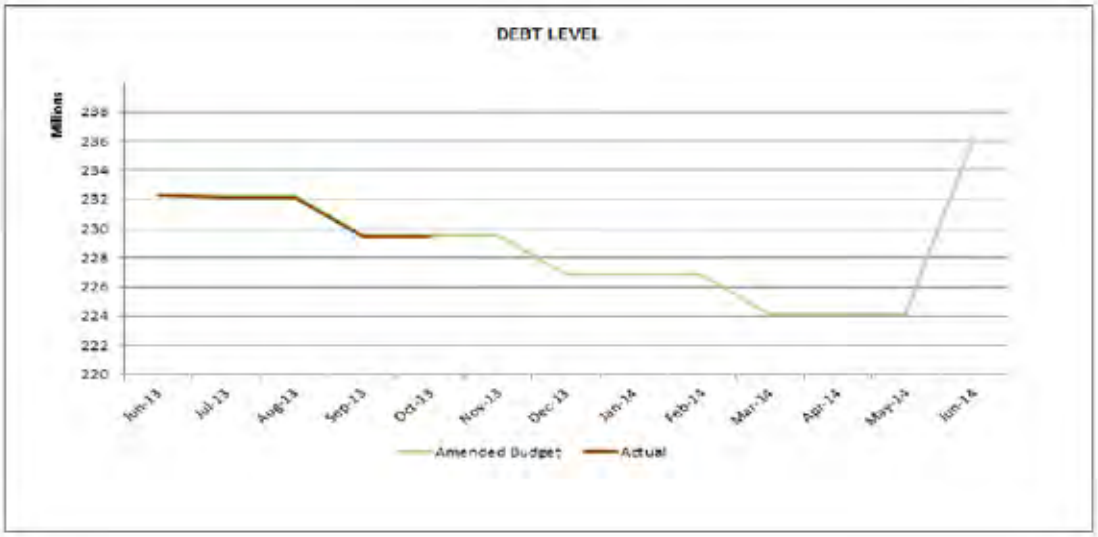
Investment Fund	Oct-13	Sep-13	Aug-13	Quarter	12 Month Return
Council Investments*	3.93%	4.01%	4.05%	4.00%	4.23%
QTC Cash Fund	3.48%	3.24%	3.48%	3.40%	3.84%
Cashfund Returns - Average	3.08%	2.96%	3.36%	3.13%	3.45%
USB Aust. Bank Bill Index	2.64%	2.52%	2.76%	2.64%	3.02%
11AM Indicative Cash Rate	2.52%	2.40%	2.52%	2.48%	2.84%

* Values shown against "Council Investments" do not include the returns achieved from QTC managed funds.

CRITICAL BUDGET SUCCESS FACTORS – INVESTMENTS CONT'D



CRITICAL BUDGET SUCCESS FACTORS – DEBT



8.4 WATER & WASTE SERVICES MONTHLY REVIEWS - OCTOBER 2013

Author Director Water & Waste Services

Purpose

To provide Council with Water & Waste Services Monthly Reviews for the period ending 31 October 2013.

Operational Plan Linkage

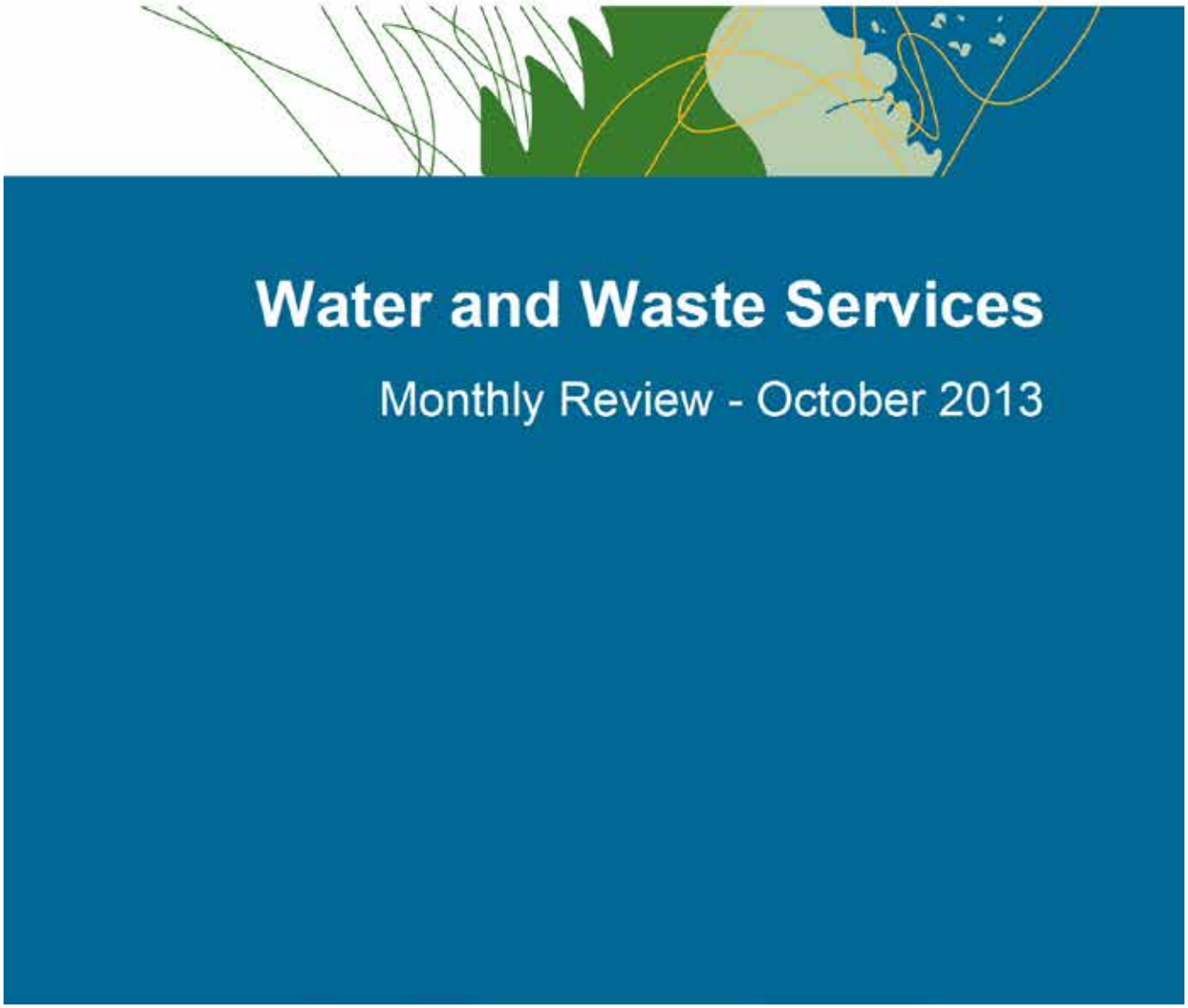
6.1 - Develop and maintain high quality Water and Waste Programs on a commercial basis that meet social and environmental objectives
6.7 - Embrace and incorporate changing legislation and Water/Waste Industry reform

Officer's Recommendation

THAT the Monthly Reviews be received.

Attachments

1. Water Services Monthly Review - October 2013
2. Waste Services Monthly Review - October 2013


Water and Waste Services
Monthly Review - October 2013

OVERVIEW 3

SAFETY 4

1.1. Incident Statistics 4
1.2. Preventative Actions 4

TEAM CULTURE 5

2.1. Team Engagement 5
2.2. Performance Appraisals 5
2.3. Turn Over 6
2.4. Operational Hours 6

FINANCE 7

3.1. Water Expenditure 7
3.2. Wastewater Expenditure 8
3.3. Operating Costs 8
3.4. Capital Expenditure Performance 9
3.5. Water Revenue 9
3.6. Wastewater Revenue 10

CLIENT SERVICES 10

4.1. Requests 10
4.2. Request Types 11
4.3. Plumbing Applications 11
4.4. Electronic Plumbing Applications 12
4.5. Plumbing Inspections 13
4.6. Trade Waste Approvals 13
4.7. Annual Trade Waste Targets 14
4.8. Trade Waste Compliance 14
4.9. Building Over Sewers 15
4.10. Scientific and Analytical Services 15
4.11. School Visits 16

ASSET MANAGEMENT 16

5.1. Surface Water Raw Water Storage Capacities 16
5.2. Annual Water Consumption vs Allocation by Source 17
5.3. Water Consumption by Locality 17
5.4. Inflow and Infiltration Program 18
5.5. Wastewater - Mackay North and Mackay South Inflows 18
5.6. Wastewater – Sarina and Mirani/Marian Inflows 19
5.7. Sewer Inspections - CCTV Camera 19
5.8. Projects 19

REGULATORY COMPLIANCE 30

6.1. Drinking Water Compliance 30
6.2. Wastewater Compliance 31
6.3. Backflow Testing 32

OVERVIEW

- SafePlan Monthly Action Plans (MAPS) compliance for Directorate for October - 99%;
- Eight Safety Incidents during month including one contractor incident and two incidents involving members of the public;
- Nil Lost Time Injuries;
- Total Client Requests received during October increased by 151 to 590 with 97% of these Requests being closed off during the month;
- Total Plumbing Applications decreased to 95 during October which is attributed to the local building industry realigning with that of the remainder of the State;
- Record number of electronic Plumbing Applications received during October;
- Average Approval Time for Plumbing Applications decreased to seven days;
- 1968 tap timers presented to residents during National Water Week promotions;
- Water consumption continues to rise with the prolonged dry weather;
- The "Watch the Flow of Our H2O" campaign continues;
- 11 complaints re Sewerage Odour received during the month with odour loggers installed at various sites across the region;
- Automated Meter Reading (AMR) devices continue to be rolled out across the region;
- This financial year 600 plus letters have been issued to residents where leaks in excess of 10 litres per hour have been identified;
- Internal repairs and coatings to Mt Pleasant Reservoir have been completed with chemical washing and curing of internal surfaces remaining;
- Overall progress on the Sarina Water Recycling Facility was fair during October with 65% of the Design and Construction work now completed; i.e. Switch-room Building 98% complete, Dewatering Building 98% complete, In-ground Service Pipework 90% complete and internal linings to Administration Building 50% complete.

Director Water and Waste Services

SAFETY

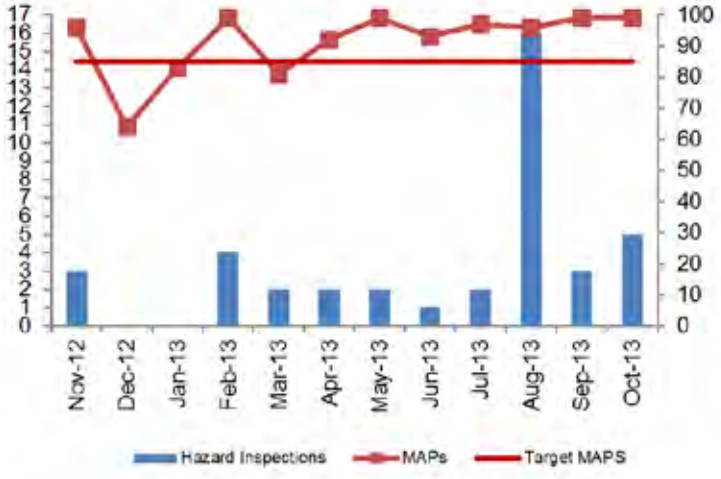
1.1. Incident Statistics

The incident statistic summary details a summary of the Water Services safety incident performance. Water Services aspires to achieve zero harm with a stretch target of zero injuries.

There were no LTI's for October.1 x Contractor incident, 2 x incidents involving members of the public, 4 x Non-injury incidents and 1 x No Time Lost Time incident.

1.2. Preventative Actions

To achieve improved safety performance a range of improvement initiatives are undertaken on a monthly basis. The following figure tracks the improvement process through implementation of the SafePlan Monthly Action Plans (MAPs) and the hazard inspections.

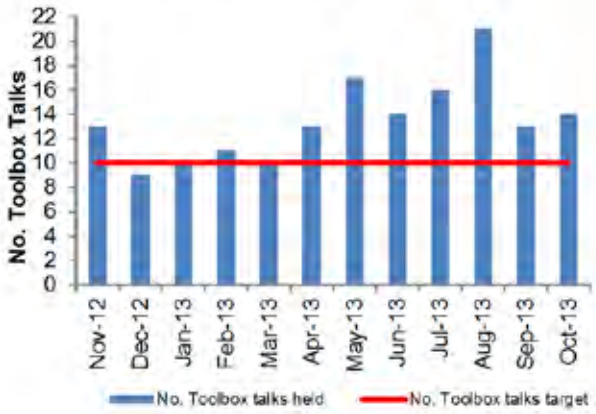


MAP compliance for October was 99%. MAP close-out continues to be monitored closely . 5 Hazard Inspections achieved from 7 scheduled.

TEAM CULTURE

2.1. Team Engagement

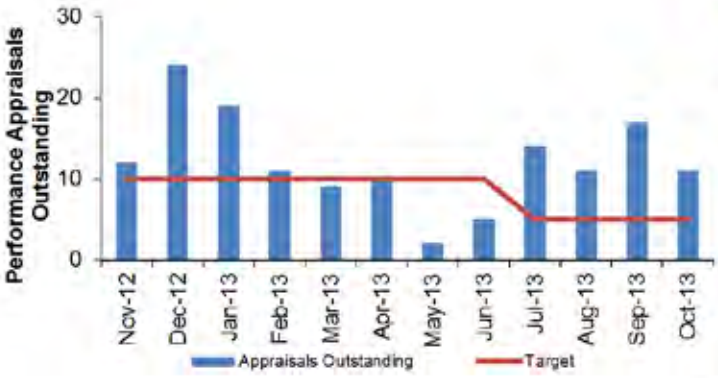
Water Services believes that a high performing culture is an essential part of a successful business. The following chart tracks the initiatives to achieve an engaged, aligned and performing workplace culture through regular team meetings.



Number of Toolbox talks for October was 14

2.2. Performance Appraisals

The following chart tracks the initiatives to achieve an engaged, aligned and performing workplace by conducting regular performance appraisals.



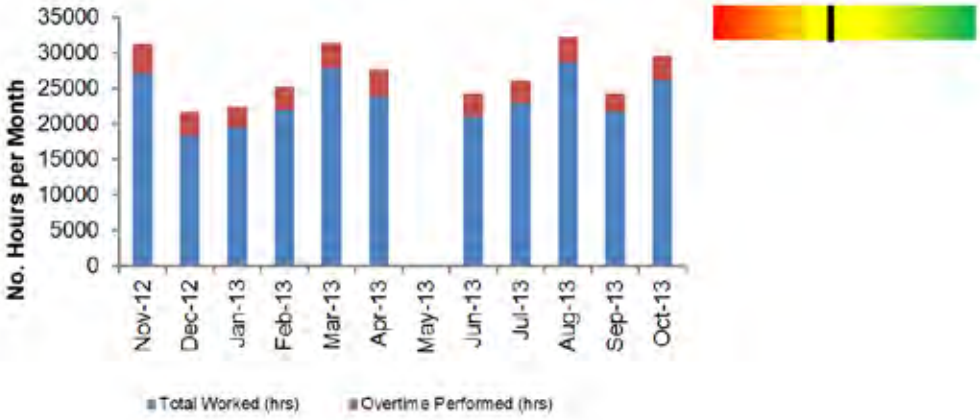
There were 11 outstanding Performance Appraisals as at the end of October.
As of July 2013 the Target for Appraisals was lowered from 10 to 5. This issue of outstanding appraisals continues to be addressed at the Water Services Management Team Meetings.

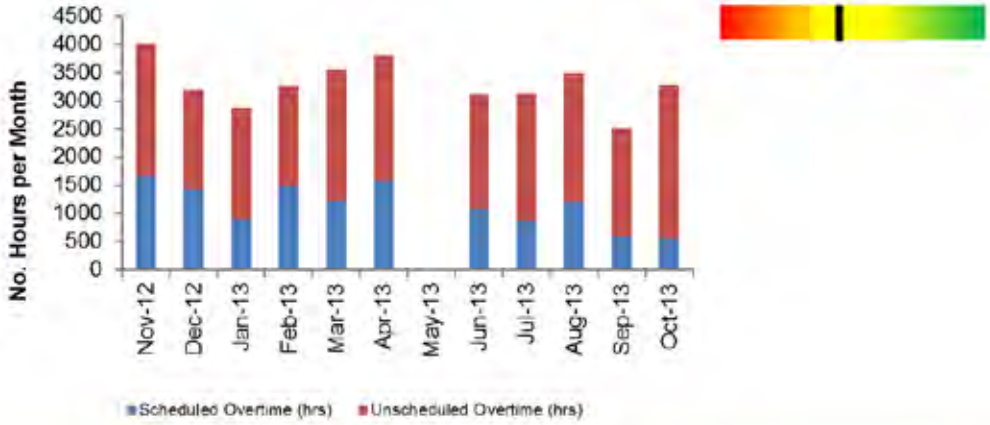
2.3. Turn Over

The following staff turnover statistics are presented as an indicator of staff stability in the business. The business aims to keep the annual turnover under 10%.

2.4. Operational Hours

The following charts detail Scheduled and Unscheduled overtime performed as well as total hours worked.





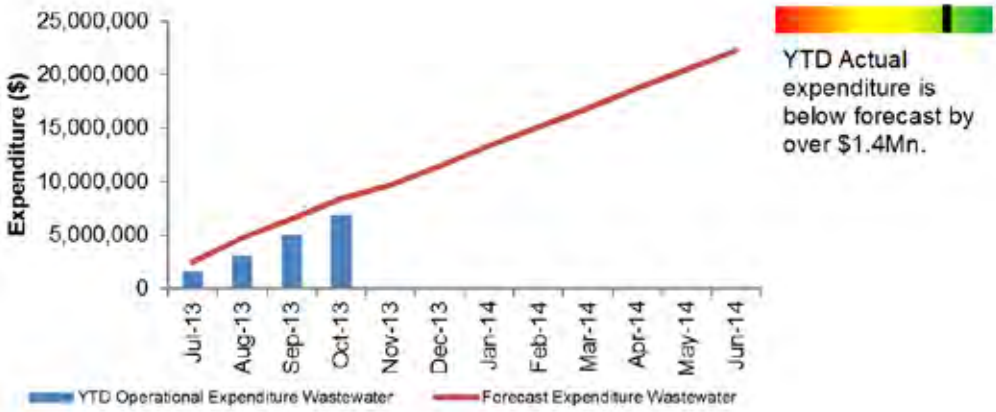
FINANCE

3.1. Water Expenditure

The following trend provides a high level overview of the water expenditure to monitor forecast expenditure against actual expenditure. The forecast expenditure profile has been derived from previous year's cash flows. Note that the below graph does not include finance and depreciation costs.

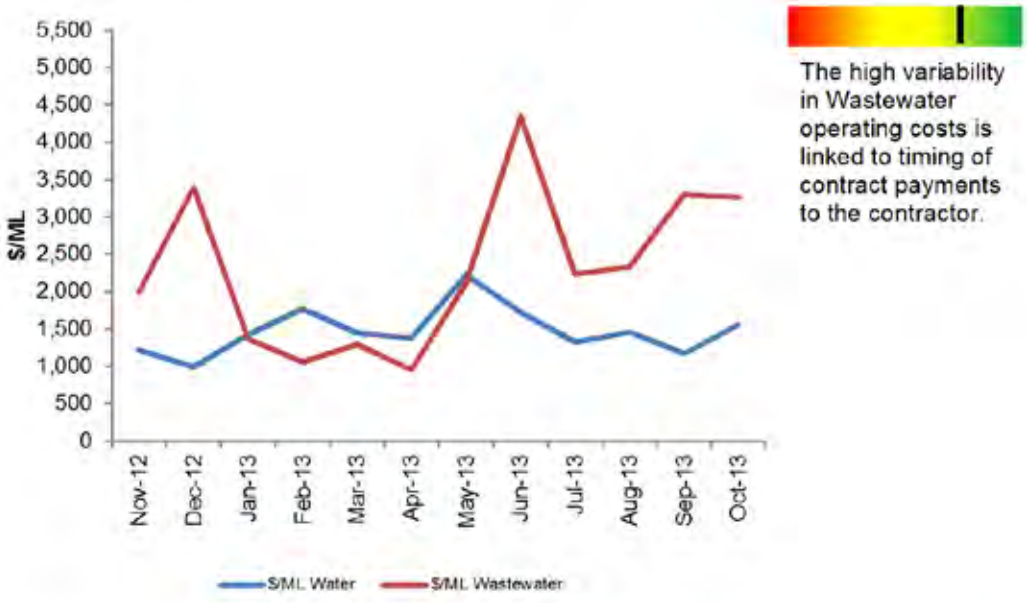
3.2. Wastewater Expenditure

The following trend provides a high level overview of the wastewater expenditure to monitor forecast expenditure against actual expenditure. The forecast expenditure profile has been derived from previous year's cash flows. Note that the below graph does not include finance and depreciation costs.



3.3. Operating Costs

The figure below details the average operating costs to treat water and wastewater in Mackay Regional Council.

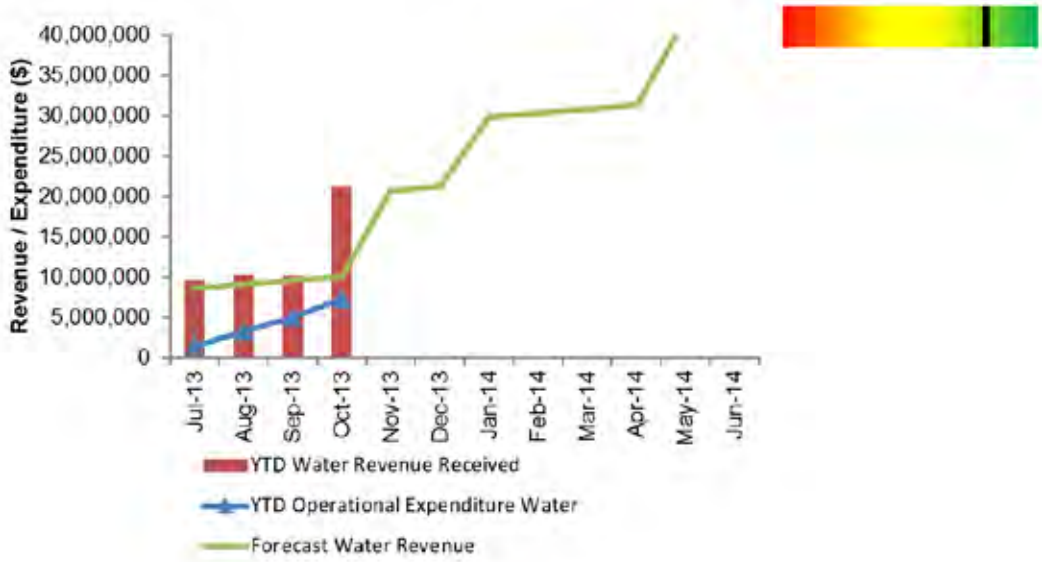


3.4. Capital Expenditure Performance

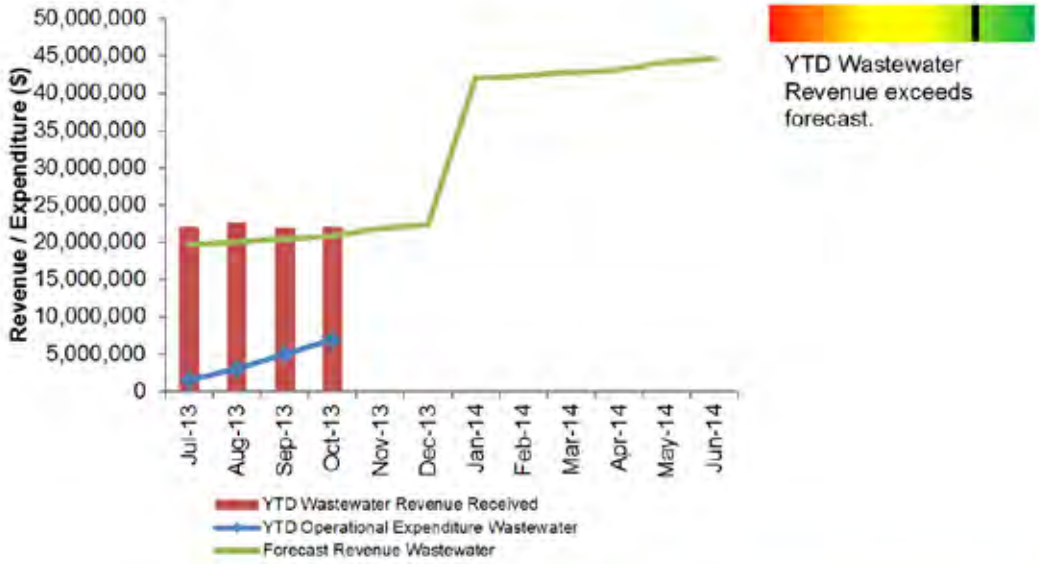
The following trend provides a high level overview of the capital expenditure to monitor forecast expenditure against actual expenditure. The forecast expenditure profile is based on the project delivery schedule within Water Services.

3.5. Water Revenue

Water revenue is received periodically through a combination of the access charge and consumption charge.



3.6. Wastewater Revenue

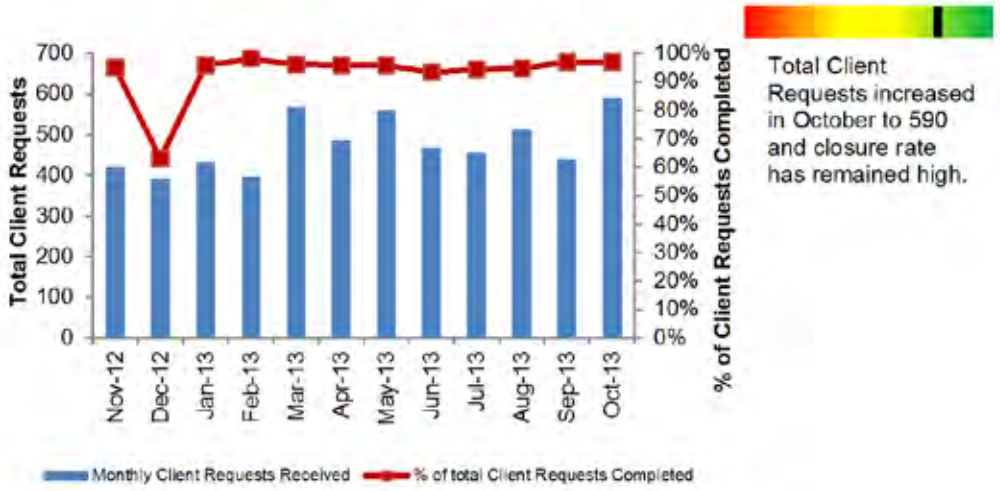


Wastewater revenue is collected biannually.

CLIENT SERVICES

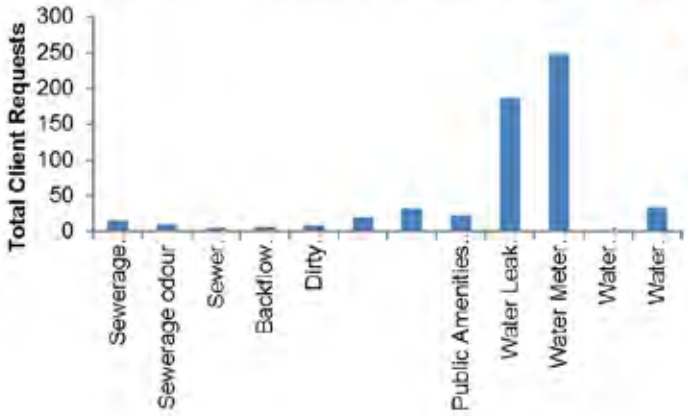
4.1. Requests

This graph details the client requests received and recorded via pathways that relate to the Water Business. The target is to have 90% of all client requests closed at any one point in time.



4.2. Request Types

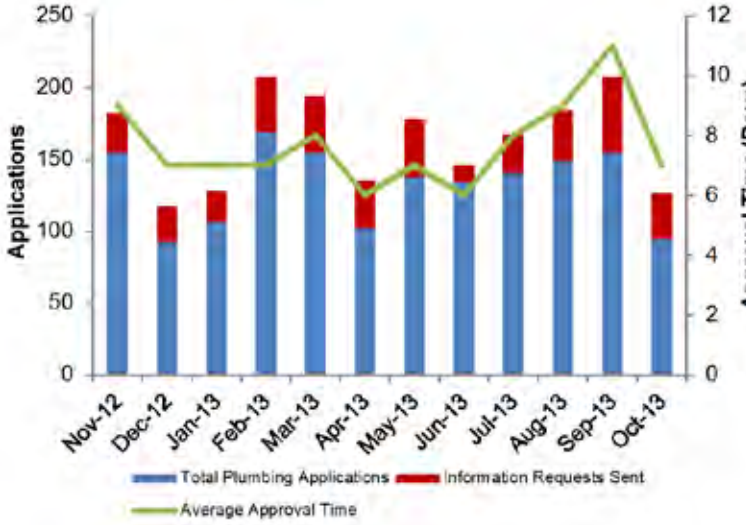
The following chart displays a summary of the client request types received for the month.



Typical Client Requests profile shown again for October. With hot,dry weather the number of odour complaints has increased. Not all are associated with Water Services.

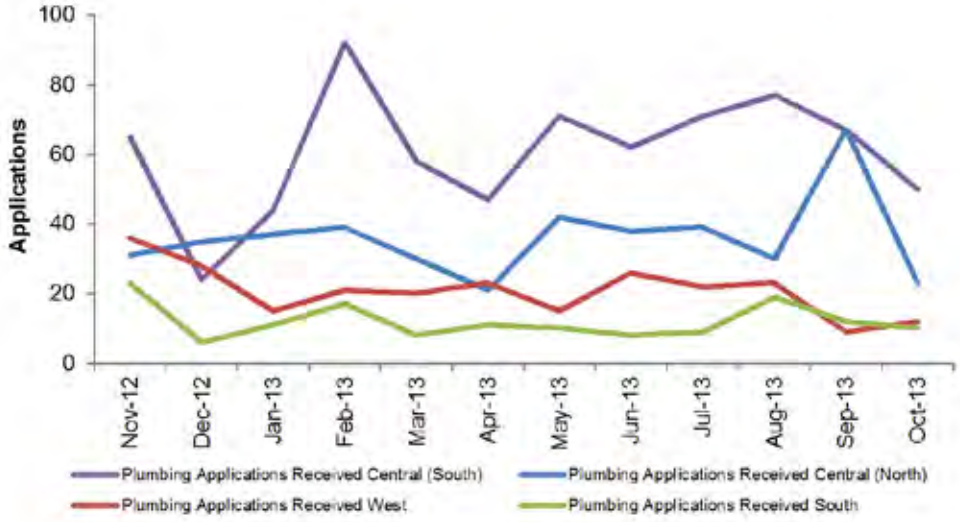
4.3. Plumbing Applications

In accordance with the *Plumbing and Drainage Act* a plumbing application is required for all new plumbing installations or modifications to existing plumbing. A plumbing application must be lodged to Local Government. Water Services has a regulatory time frame of 20 business days to assess a plumbing application. An internal target of 5 business days has been set for all residential plumbing applications.



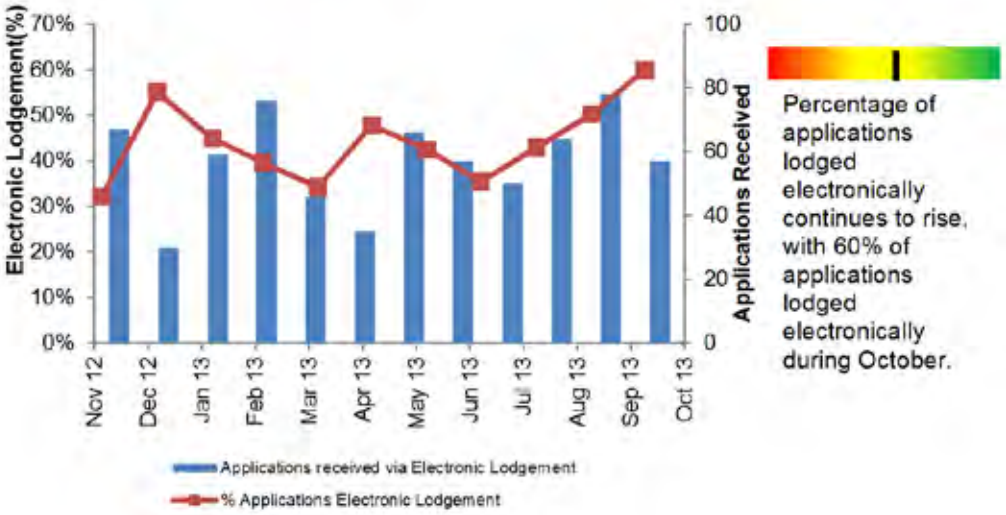
Significant reduction in average approval time to 7 days, attributable to alternate system arrangements implemented at end of September and decrease in application numbers. Recruitment for vacant administration is continuing. Currently filled by temp. staff.

An indication of the amount of building activity in each population centre of the Mackay region can be derived by assessing the building activity by location. This is summarised in the table below.



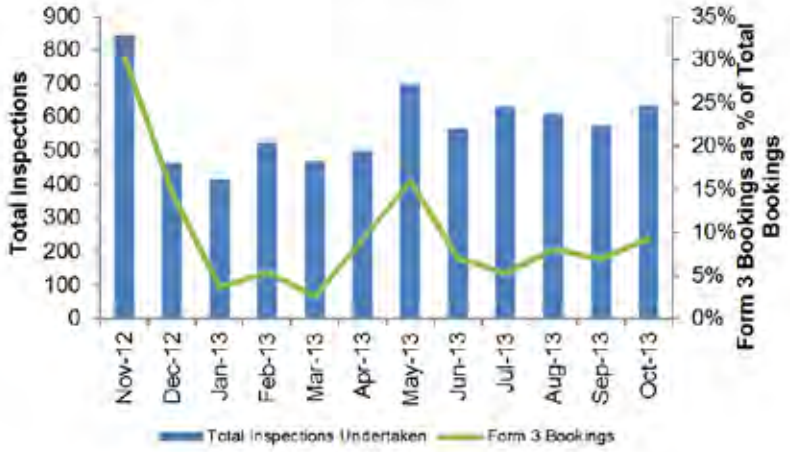
4.4. Electronic Plumbing Applications

In May 2011 Water Services launched the ability for Plumbing Applications to be submitted through Electronic Lodgement.



4.5. Plumbing Inspections

Plumbing inspections are undertaken throughout a building construction or renovation process. Typically 4 plumbing inspections are undertaken for each plumbing application. In accordance with the *Plumbing and Drainage Act* plumbing inspections must be carried out within 48 hours of a plumbing inspection being booked. If Water Services cannot attend the plumbing inspections within the regulated 48 hour period, a plumber can submit a form 3 booking and proceed without an inspection, 1 hour after the 48 hour period.



Increase in inspection numbers for October with a slight increase in form 3 bookings. An inspector remains in office each day to carry out assessments.

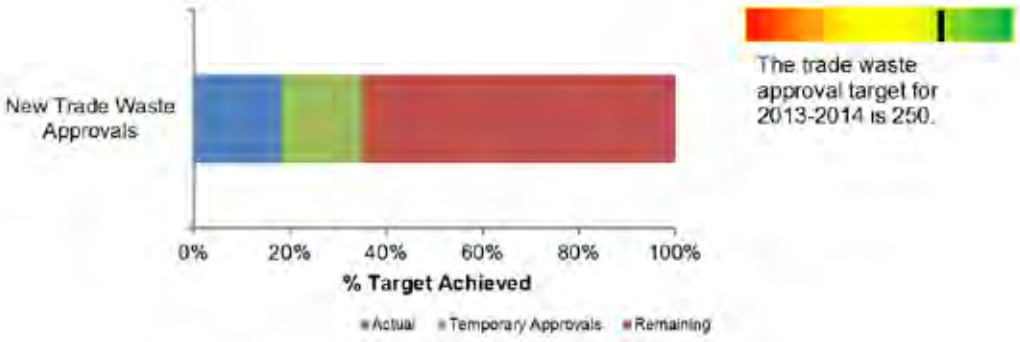
4.6. Trade Waste Approvals

The program for undertaking trade waste assessment and licensing of all applicable businesses that discharge trade waste is ongoing. As part of the Trade Waste Assessment process a temporary Trade Waste Approval is put in place while the formal approval process is undertaken. The table below summarises the number of Trade Waste Approvals in the Mackay Region.

	Total Approved Businesses	Temporary Approvals In Place	New Approved Businesses for the Month
Mackay South	585	39	11
Mackay North	49	3	1
Sarina	54	7	2
Mirani/Marian	13	2	1
	701	51	15

4.7. Annual Trade Waste Targets

Annual targets are set for the Trade Waste team with respect to licensing Trade Waste Businesses. The target has been set at 250 new licensed businesses by June 2014. The following graph shows the Actual and Temporary Approvals achieved and the percentage of the target remaining.



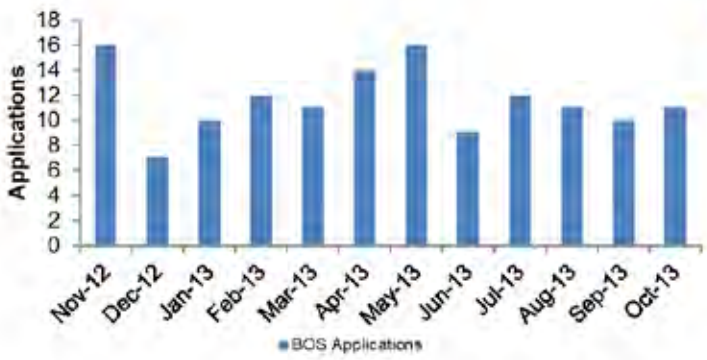
4.8. Trade Waste Compliance

Trade Waste compliance testing is undertaken on a routine basis for all trade waste generators that have pre-treatment devices installed. The compliance testing is aimed at ensuring that Trade Waste discharges will not adversely impact on the treatment plant. A summary of the trade waste compliance tests undertaken in each Wastewater Treatment Plant catchment is detailed below.

	Compliance Tests within Limits	Compliance Test Outside limits
Mackay South	28	8
Mackay North	1	3
Sarina	6	3
Mirani	0	1
	35	15

4.9. Building Over Sewers

Building Over Sewer applications are lodged where the construction of a structure is proposed within close proximity of a sewer main. The application is assessed in accordance with Councils building over and adjacent to sewer policy. In accordance with the policy, Building Over Sewer Applications are assessed within 20 business days. Future reporting will include performance against turnaround time targets.



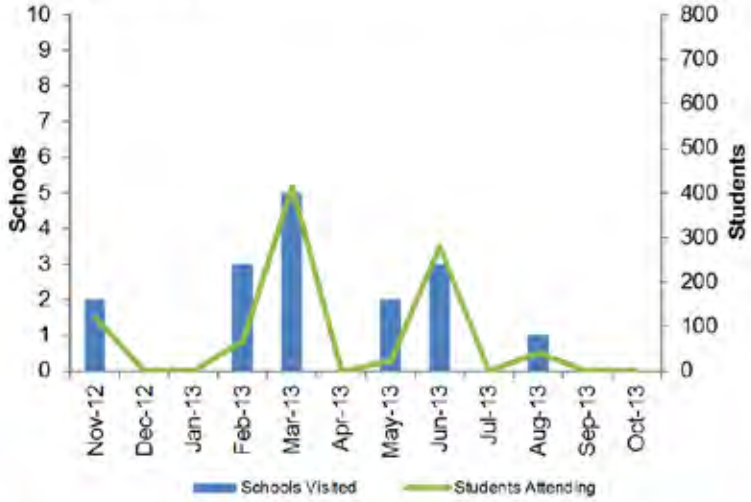
There were 11 BOS Applications for October.

4.10. Scientific and Analytical Services

Scientific and Analytical Services provides laboratory analysis in accordance with National Association of Testing Authorities (NATA) Standards to both Mackay Regional Council and external clients. A summary of the laboratory activities are detailed below.

4.11. School Visits

As part of the community education program Water Services provides water awareness sessions at schools. A summary of the program is detailed in the graph below including schools visited and students presented to.

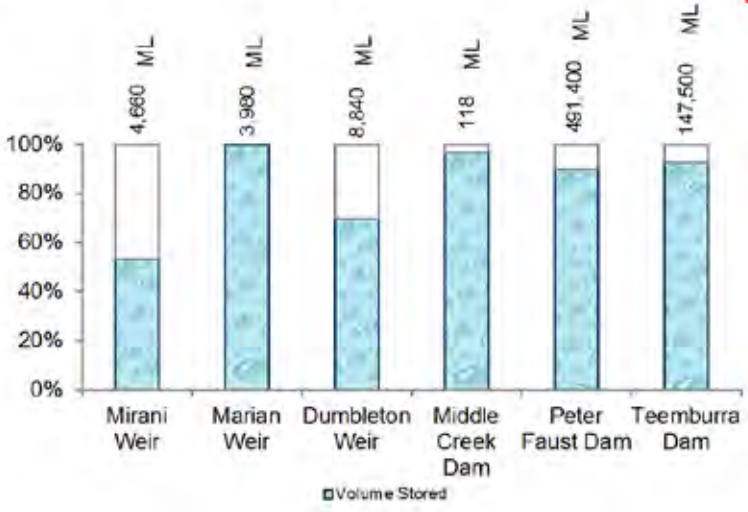


"Watch the Flow of Your H20" Campaign advertising continued on TV, print, online and outdoors
• Commenced radio advertising at beginning of October
• Commenced timer promotion with attendance at two events that included National Water Week (Oct 23 - 26). In total, 1968 tap timers given to residents.
AMR Technology. Promotion began in October

ASSET MANAGEMENT

5.1. Surface Water Raw Water Storage Capacities

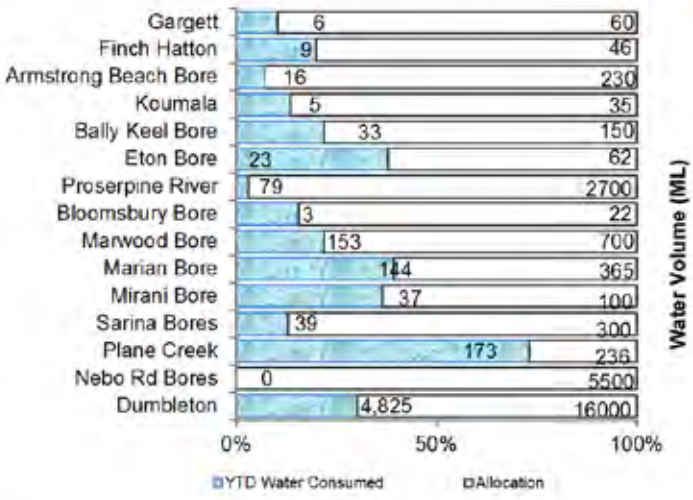
Water Services sources water from a combination of surface water and groundwater sources. With the exception of Middle Creek Dam the storage facilities are owned and operated by SunWater. Middle Creek Dam is under Council's control. The water stored in each of the storages is detailed below.



Water sources remain at sufficient levels to ensure ongoing security. Marian Weir is at capacity.

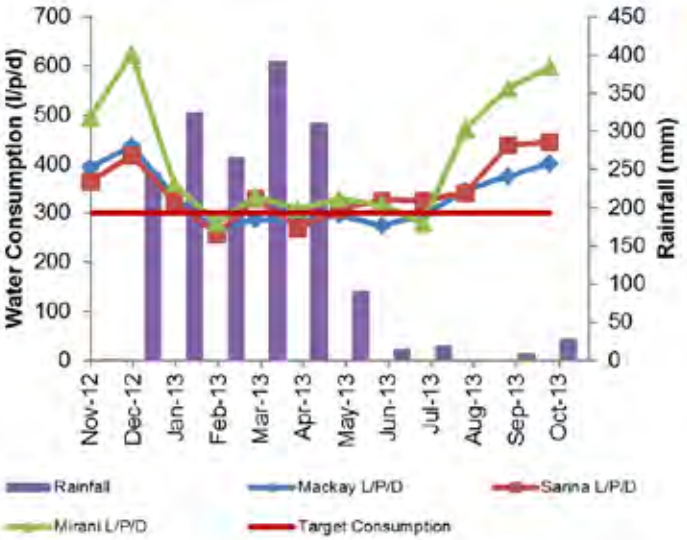
5.2. Annual Water Consumption vs Allocation by Source

Water Services has a water allocation or water license for each water source. The water allocation and year to date water consumption for each of the water sources is detailed below.



5.3. Water Consumption by Locality

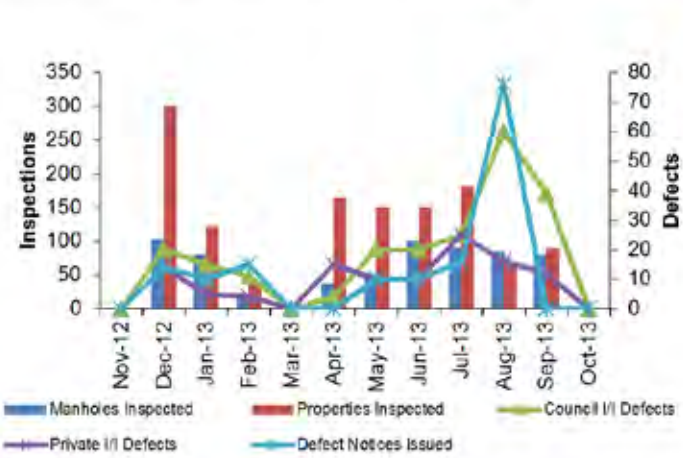
Water Services supplies water to both residential and commercial water clients throughout the Mackay Region. The average water consumption in each of the three major community centres is detailed below. The water consumption is presented as litres per equivalent population per day. This graph provides a summary of water consumption including commercial water use.



Compliance inspections at Mirani/Marian were undertaken in October.

5.4. Inflow and Infiltration Program

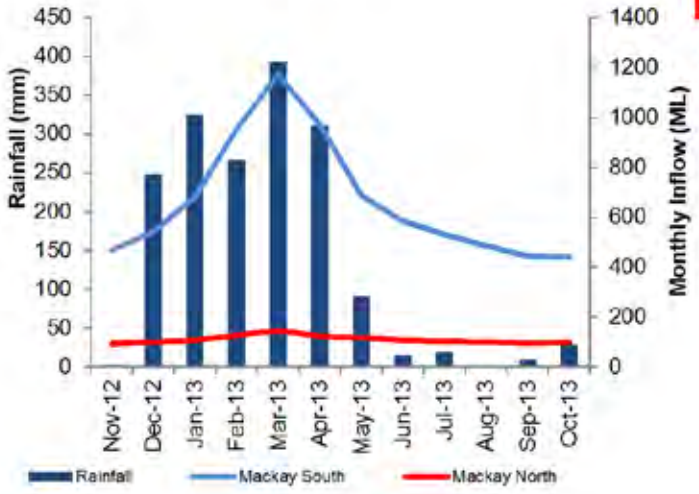
The inflow and infiltration program is aimed at reducing the amount of groundwater and stormwater that enters the sewer network. Water enters the sewage system through both private plumbing and Council infrastructure. The program is designed to reduce the occurrence of sewer surcharges during wet weather events. A summary of the program activities is as follows.



No inspections in October as there was no approved Council resolution in place for the month. Testing to resume in November.

5.5. Wastewater - Mackay North and Mackay South Inflows

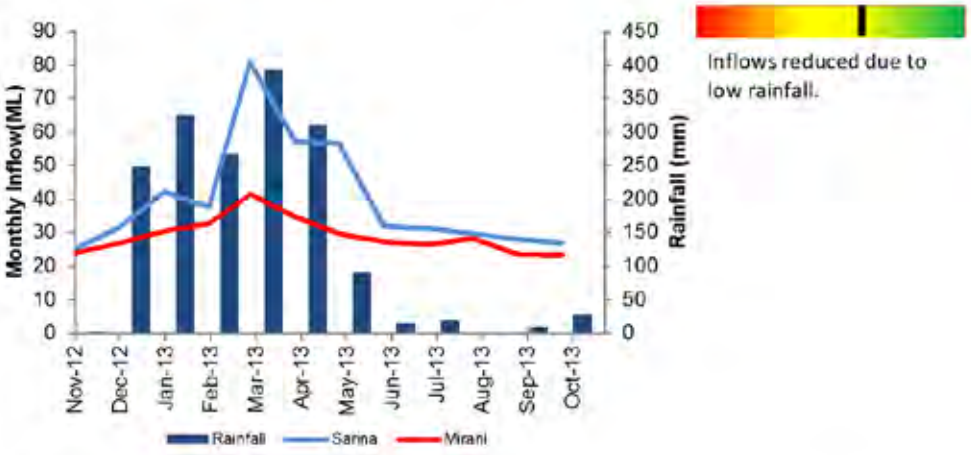
The inflow into Wastewater Treatment Plants is impacted by the number of sewage connections and the extent of inflow and infiltration. The monthly inflow into the Mackay North and Mackay South Water Recycling Facilities is detailed below.



28mm of rainfall fell at the end of October.

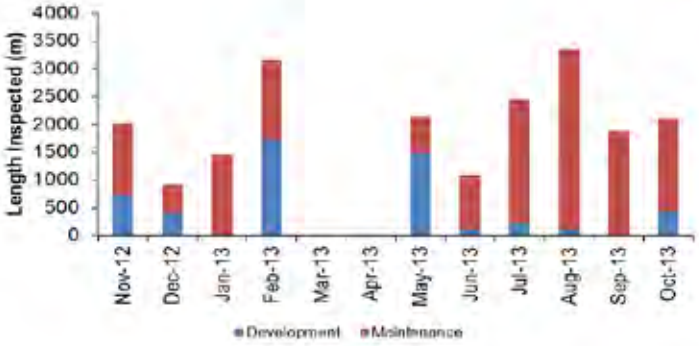
5.6. Wastewater – Sarina and Mirani/Marian Inflows

The monthly inflow into the Sarina and Mirani/Marian Wastewater Treatment Plants is detailed below.



5.7. Sewer Inspections – CCTV Camera

To protect and identify defects in the sewer system Water Services routinely undertakes CCTV inspections of the sewer system. CCTV inspections are undertaken for both developers as part of the process to create a new subdivision and on existing sewer assets as part of the routine sewer inspection program. A summary of the CCTV activity is displayed below measured as meters of sewer inspected.



5.8. Projects

Water Services undertakes a range of projects across the water business. Projects take the form of Capital Projects, Planning Studies and investigations.

Program	Project	Status	% Complete	Budget	Time
ID	Bruce Highway (Stockroute Rd Intersection)	Construction	100%		

Cleaning completed, pressure testing passed. New section of main not disinfected but left full with water. Prior to future connection and use, the main will require re-flushing and disinfection.

Program	Project	Status	% Complete	Budget	Time
ID	AWMR Evan Street (Paradise-Juliet Street)	Construction	100%		

Overall project delivered behind schedule. Commencement of work was delayed by crew working on priority road driven projects. Construction now complete. As Constructed drawings now completed.

Program	Project	Status	% Complete	Budget	Time
ID	Cemetery Rd Trunk Main Relocation	Construction	0%		

Phase 1 of the Cemetery Rd WMR awarded to John Lemura along with 60086 - Milton St WMR. Construction expected to start Mid November. Budget needs to be revised to reflect tender price and additional work included.

Program	Project	Status	% Complete	Budget	Time
ID	MAC - Percy Crt Embankment Repairs	Construction	95%		

Overall project delayed as a result of an increased scope of rock anchors due to poor material encountered and effects of inclement weather. Construction works and clearing of site completed. Re-establishment of turf and cleaning of house commenced.

Program	Project	Status	% Complete	Budget	Time
ID	**Blacks Beach Reservoir Booster Pump Station (inc. Eulbertie Ave BPS)**	**Construction**	**93%**		

Building gets a paint job

Project behind schedule. Commencement of pump station construction delayed by complex relocation and cut-ins of existing pipework taking longer than expected. Building works and installation of pumps and internal pipe work substantially completed. Hydrostatic testing of inground pipe lines completed. Commissioning expected mid November.

Program	Project	Status	% Complete	Budget	Time
ID	Nebo Rd WMR	Construction/Commissioning	97%	•	•
Connection of new main to existing network has been delayed due to availability of construction crew to perform night works. Lessons Learnt workshop has been completed and report is being compiled.					

Program	Project	Status	% Complete	Budget	Time
ID	SPS - Goldsmith St SPS Upgrade	Construction	95%	•	•
Overall project behind schedule due to protracted procurement process and delayed commencement of works due to wet weather earlier in the year. Construction works substantially complete with demolition of redundant building completed, replacement of access ladder and completion of site fencing to be completed in November.					

Program	Project	Status	% Complete	Budget	Time
ID	SPS - Gooseponds Upgrade	Construction	35%	•	•
Overall project behind schedule due to protracted procurement process and delayed commencement of works due to wet weather earlier in the year. Works commenced in earnest in October with bypass pumping initiated, redundant building demolished, epoxy coating of wet well and construction of new flowmeter pit commenced. New pumps received.					

Program	Project	Status	% Complete	Budget	Time
ID	SPS - Prawn Farm	Construction	75%	•	•
Overall project behind schedule due to protracted procurement process and delayed commencement of works due to wet weather. Pipelaying substantially completed with hydrostatic testing expected to commence early in November. Overall progress poor with hard material being struck whilst underboring of Mackay Bucasia Rd and commencement of underbore under Melilaluca wetland delayed by breakdown of boring rig. Epoxy coating works on pump station wet well to commence mid November.					

Program	Project	Status	% Complete	Budget	Time
ID	Nebo Rd WTP Bore Field Switchboard Replacement	Tender - Procurement	50%	•	•
Tender package has been delivered to Procurement with tenders to be received and evaluated by end of November.					

Program	Project	Status	% Complete	Budget	Time
ID	AWMR - Malcomson/Greenfields Intersection Upgrade	Planning/Design	50%	•	•
Roads driven renewal project - Water Main design by Engineering Services delayed by developer's decision to proceed with project. Construction timing uncertain.					

Program	Project	Status	% Complete	Budget	Time
ID	AWMR - Waverley Street	Construction	100%		
As Constructed plans finalised and issued.					

Program	Project	Status	% Complete	Budget	Time
ID	Retic - Meter Replacement Program (13/14 Financial Year)	Construction	54%		
3800 of 7000 water meter installations completed by end of October. Contractor's progress has been impacted by Council's scheduled water meter read but all installations are expected to be completed by the end of January 2014. Site specific investigations for six Commercial/Industrial Water Meters completed.					

Program	Project	Status	% Complete	Budget	Time
ID	AWMR - Mengel Street North	Construction	100%		
Roads driven renewal project – Water Main replacement work completed and As Constructed plans finalised.					

Program	Project	Status	% Complete	Budget	Time
ID	AWMR - Stockbridge Street Reconstruction	Construction	80%		
Roads driven renewal project. Internal crew completing Water Main replacement work. 150 dia. 100% of main line has been completed. Long house connections scheduled for early November.					

Program	Project	Status	% Complete	Budget	Time
ID	BWMR - Evans Avenue (Malcomson to Harbour)	Construction	20%		
Roads driven renewal project. Water Main replacement is being undertaken in conjunction with road works. Contractor commenced work in October on installation of 150 dia water main.					

Program	Project	Status	% Complete	Budget	Time
ID	BWMR - Graffunder Street (Milton to Paradise)	Construction	90%		
Roads driven renewal project. Internal crew has commenced Water Main replacement work. 100% of Water Main has been completed. Final house connections are to commence in early November.					

Program	Project	Status	% Complete	Budget	Time
ID	AWMR-Brooks Street (Sarina Coast-Petersen)	Planning/Design	80%		
Survey and service location potholing has been completed. Design is all but complete.					

Program	Project	Status	% Complete	Budget	Time
ID	WRS - Rural Water Supply Upgrade Project	Tender-Procurement	80%	•	•

Tenders were received for the upgrade of 7 of Mackay's regional rural water supply schemes (Bloomsbury, Calen, Finch Hatton, Gargett, Koumala, Alligator Creek, Armstrong Beach) to meet new Australian Drinking Water Guidelines in terms of water quality risk. Tender evaluation has commenced but currently awaiting final TIR responses to finalise Evaluation Report. Tender prices are within construction cost estimates.

Koumala WTP is one of the 7 sites being upgraded.

Program	Project	Status	% Complete	Budget	Time
ID	WMR - Milton Street (Gordon to Victoria)	Construction	0%	•	•

Roads driven relocation project. The construction has been included in a contract with 60339 Cemetery Road Phase 1. This contract has been awarded to John Lemura with construction expected to start mid November.

Program	Project	Status	% Complete	Budget	Time
ID	WMR - Philip st Sarina	Design	0%	•	•

Roads driven project. Preliminary design work has started with the survey brief being undertaken. MRC staff are expected to commence the work shortly.

Program	Project	Status	% Complete	Budget	Time
ID	BWMR - Milton Street (Bridge to Graffunder)	Construction	0%	•	•

Roads driven renewal project. Internal crew will commence Water Main replacement work in mid November.

Program	Project	Status	% Complete	Budget	Time
ID	Evans Avenue WMR (Canberra - Quarry)	Construction	100%	•	•

All physical works have been completed. As Constructed plans have also been completed and submitted to Technical Services for Asset Management Recording. Works are now in the Defects Liability Period.

Program	Project	Status	% Complete	Budget	Time
ID	WRS - Mt Pleasant Reservoir	Construction	90%	•	•
All of the internal repairs and coatings completed by end of October. Remaining work involves chemically washing the internal surfaces and allowing seven days curing period prior to refilling the reservoir which is planned to commence on Monday 11 November. A filling procedure has been drafted and will be implemented once approved.					

Program	Project	Status	% Complete	Budget	Time
ID	Leak Detection & demand management	Construction	5%	•	•
Tenders have been received from 6 companies and evaluation due to commence.					

Program	Project	Status	% Complete	Budget	Time
ID	Digitisation of Telemetry - Water	Tender - Procurement	25%	•	•
Replacement of 3000 Series RTU project is behind schedule. MPA Engineering are finishing off final site installations with the final cut over expected end of October. Tenders for the new repeater at Mt. Blackwood have been evaluated and contract awarded. The tenders for 9 individual work packages, bundled into one tender package, have been received and are being evaluated.					

Program	Project	Overall project delayed as a result of	% Complete	Budget	Time
ID	Marian WTP	Tender-Assessment	80%	•	•
Assessment of responses to technical and commercial departures progressed during October and further requests for information issued. An award of contract is anticipated mid December 2013.					

Program	Project	Status	% Complete	Budget	Time
ID	WMR - Kelly's Rd (South of Muriel St)	Planning/Design	20%	•	•
Developer driven project. Design in progress					

Program	Project	Status	% Complete	Budget	Time
ID	WMT Midge Point Line	Planning	0%	•	•
Not yet commenced. Planning and Design only in 2013/14. Awaiting commencement of new project manager in November to undertake this project					

Program	Project	Status	% Complete	Budget	Time
ID	AWMR - Walters Ave (Waverley -	Construction	100%	•	•
As Constructed plans finalised and issued.					

Program	Project	Status	% Complete	Budget	Time
ID	WWS - Laboratory New	Planning	50%	•	•

Draft options report completed summarising planning works undertaken to date and considering alternative options to constructing new facility, including leasing and purchase of existing building (and fit-out). Workshop to be held in November to evaluate options and agree way forward. Expanded lab facilities are required to maintain NATA accreditation.

Program	Project	Status	% Complete	Budget	Time
ID	AWMR Bridge Road (Paradise to Wilson)	Design	90%	•	•

Design previously completed in 2012/13 FY however has now been revised due to a clash with interim road works proposed by Developer. Construction of water main delayed due to development construction area fencing interfering with alignment.

Program	Project	Status	% Complete	Budget	Time
ID	WRT - Smart Metering	Construction	62%	•	•

Contractor has completed installation of 3873 AMR's on newly replaced water meters. Contractor has also completed installation 7010 AMR's to existing water meters. Contractor's progress impacted by Council's scheduled water meter read but is expected to complete all installations by end of Jan '14 as programmed.

Program	Project	Status	% Complete	Budget	Time
ID	Eton Water Pump Station	Construction	95%	•	•

The Eton Water Pump Station and disinfection facility has been commissioned and handed-over to Treatment Operations. Contractor to complete punch list of a few outstanding items including finalising As-Constructed drawings. Lessons Learnt findings are being applied to the Rural Water Supply Scheme Upgrade Project.

Program	Project	Status	% Complete	Budget	Time
ID	Mt Griffith Reservoir - Leaking Roof	Construction	98%	•	•

As Constructed drawings supplied. Contractor QSP to address minor defect issues that have been identified since completion.

Program	Project	Status	% Complete	Budget	Time
ID	Reservoir Chlorination System	Construction	90%	•	•

Shoal Point Chlorine Dosing System installation has been substantially completed. Final cut-in was completed and contractor has completed pre commissioning. Some minor items have been rectified so commissioning is awaiting the delivery of chlorine.

Program	Project	Status	% Complete	Budget	Time
ID	WRS Rural View Reservoir Main Connection	Construction	20%		
Developer driven project. Construction commenced in October. Excavation and blinding layer completed. Cut over booked for early November. Completion expected by end of November.					

Program	Project	Status	% Complete	Budget	Time
ID	Marian Raw Water Intake	Construction	70%		

Final pile being installed in river

Works ahead of schedule. Clearwater Main has been laid, tested and disinfected with only the final connections at the reservoir to complete. Piling has been completed. Intake pipes are installed. Raw Water pipework due to be completed by early November. Service conduits and electrical works well underway. Switchboard due on site Late November.

Program	Project	Status	% Complete	Budget	Time
ID	AWMR-Brewers Road, Sarina	Planning/Design	10%		
Design commenced, survey and potholing works done.					

Program	Project	Status	% Complete	Budget	Time
ID	AWMR-Broad St, Sarina	Planning/Design	8%		
Design commenced, survey and potholing works done.					

Program	Project	Status	% Complete	Budget	Time
ID	AWMR Kilkenny Crt	Design	50%		
Potholing and survey completed. Design underway.					

Program	Project	Status	% Complete	Budget	Time
ID	Golf Links PSTN VSD Replacement	Design	25%		
Tender awarded and procurement of new Variable Speed Drives under way.					

Program	Project	Status	% Complete	Budget	Time
ID	Sewer Relining - Various Sites	Construction	98%	•	•
12/13 Sewer Relining Works Package works completed. Various sewer lines in the city environs were included in this package of works involving Andergrove, Beaconsfield and Sarina . CCTV footage received and is to be reviewed to process final progress claim.					

Program	Project	Status	% Complete	Budget	Time
ID	SPS No. 7 Sarina Sewerage Pump Station	Tender - Procurement	50%	•	•
Design works, procurement of pumps and preparation of tender documents complete. Tender process has commenced.					

Program	Project	Status	% Complete	Budget	Time
ID	SPS No. 8 Sarina Sewerage Pump Station	Tender - Procurement	50%	•	•
Design works and preparation of tender documents complete. Tender process has commenced.					

Program	Project	Status	% Complete	Budget	Time
ID	SLP - Kenny's Road Overflow Abatement	Construction	40%	•	•
Construction of 300m of gravity sewer main between Grosskreutz Avenue and Oriely Avenue is complete. Occurrence of rock has slowed the rate of production.					

Program	Project	Status	% Complete	Budget	Time
ID	SRM - River Street Sewer Main	Defects Liability		•	•
Job complete, including As Constructed plans.					

Program	Project	Status	% Complete	Budget	Time
ID	SPS - Dump Rd. Sewerage Pump Station	Defects Liability		•	•
Construction completed. Site has been handed over to MRC for the on maintenance period.					

Program	Project	Status	% Complete	Budget	Time
ID	**SPS Keeleys Rd No.1 Pump and Switchboard Replacement**	**Pump and switchboard procurement and installation**	**95%**	•	•
		Installation of pumps, flow meter and switchboard complete. Problems with existing internal discharge valves identified. Procurement of reflux and sluice valves complete. Installation of valves scheduled for 25. November 2013.			

Program	Project	Status	% Complete	Budget	Time
ID	SPS - Marryatt St Upgrade	Construction	98%	•	•
Works substantially completed and awaiting provision of As Constructed information.					

Program	Project	Status	% Complete	Budget	Time
ID	Sarina Water Recycling Facility (SWRF)	Design and Construction	65%	•	•

Overall progress has been fair to good this month. The major area of concern grouting under precast panels and pouring of the wet joints has progressed satisfactorily with 65% of the joints having been poured. Internal linings to the Administration Building are 50% complete. The joint venture will self perform the mechanical installation work which has advantages in terms of programme and cost. The status of other elements of the Project are; Swithchroom Building 98% complete, Dewatering Building 98% complete, Inground service pipework 90% complete.

Program	Project	Status	% Complete	Budget	Time
ID	SPS - Burgess St SRM	Construction	95%	•	•
Construction of Sewer Rising Main has been completed. Preparation of As Constructed drawings is in progress.					

Program	Project	Status	% Complete	Budget	Time
ID	SPS No.3 Brewers Rd Sarina-SRM	Construction	95%	•	•
Construction of Sewer Rising Main has been completed. Preparation of As Constructed drawings is in progress					

Program	Project	Status	% Complete	Budget	Time
ID	Sarina Rising Main & Pump Station	Construction	80%	•	•

During the month the caisson pump well concrete works were completed. The rising main was also successfully hydrotested. Work commenced on construction of the Control Building and by months end the roof framing had been completed. All major items of equipment are now on Site. Work will commence in early December on the installation of connecting pipework to the existing pump station and Manholes.

Program	Project	Status	% Complete	Budget	Time
ID	SPS Biltoft St Sarina Pump Replacement	Construction	100%	•	•
Installation by Water Services Operations crew complete.					

Program	Project	Status	% Complete	Budget	Time
ID	Inflow Infiltration - Source Detection Contract MRC 2013-046. Part A and B, Work Package 1	Delivery	85%	•	•
CCTV inspection of Gooseponds Catchment pipework underway with completion expected in mid-November 2013. Property and Maintenance Hole Inspections have been completed.					

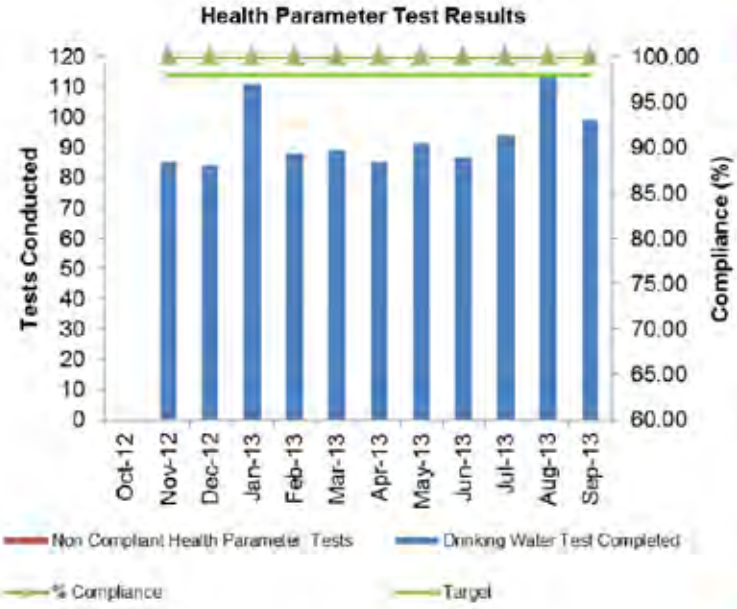
Program	Project	Status	% Complete	Budget	Time
ID	Digitisation of Telemetry - Sewage	Tender - Procurement	75%	•	•
Replacement of 3000 Series RTU project is behind schedule. MPA Engineering are finishing off final site installations with the final cut over expected end of October. The tenders for 9 individual work packages, bundled into one tender package, have been received and are being evaluated.					

Program	Project	Status	% Complete	Budget	Time
ID	**SPS-Shoal Point SPS (Royal Sands) Regional PS**	**Defects Liability**	**98%**	•	•
	Waiting on As Constructed drawings. SPS off-line until Ergon power connection is made in November 2013. In the interim, system continues to operate as a gravity system. (Refer photo of complete Pump Station)				

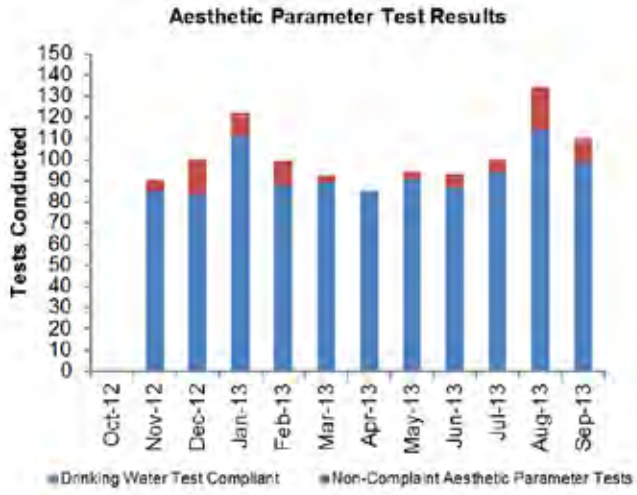
REGULATORY COMPLIANCE

6.1. Drinking Water Compliance

Safe Water supplies are provided in accordance with the requirements of the *Water Supply Safety and Reliability Act* and are measured against the *Australian Drinking Water Quality Guidelines*. Drinking Water samples are taken at the outlet of Water Treatment Plants and within the reticulation network. A summary of the performance is detailed below.



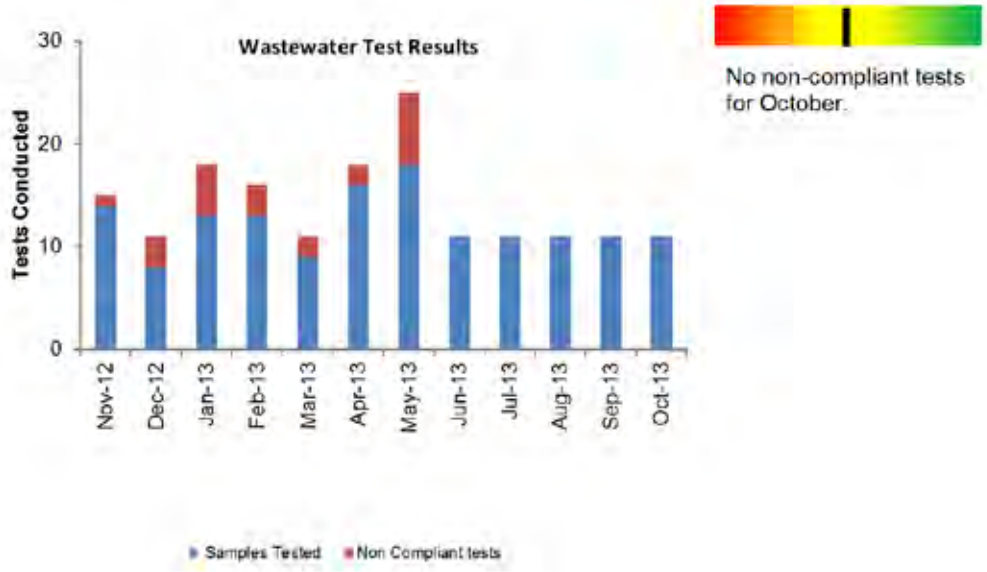
No health-based exceedances for October.



Aesthetic non-compliant tests at Gargett for pH. Aesthetic non-compliance for hardness Eton, Koumala, Sarina Beach and Armstrong Beach

6.2. Wastewater Compliance

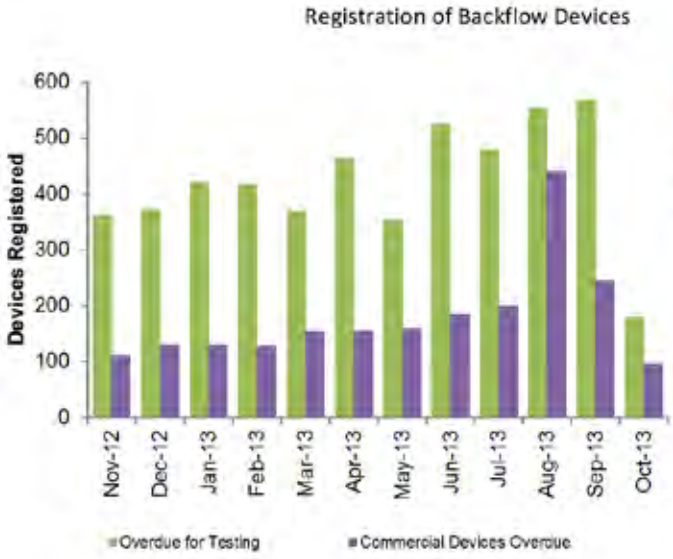
The discharges from wastewater treatment facilities are regulated by Development Approvals issued by the Department of Environment and Resource Management. The licence requirements differ based on the time the Development Approval was issued and the receiving environment associated with any discharges.



6.3. Backflow Testing

Backflow devices are installed on water services where there is a risk that water could return from a private property back into the Water Reticulation network. The requirement for backflow devices is regulated in accordance with the Standard Plumbing and Drainage Regulation.

Devices registered have increased due to commercial properties having final plumbing inspections.



Overdue for testing has decreased significantly. 195 testing reminders sent, this includes 56 enforcement notices.

Overview....3

1.0 Finance....4

1.1 Transactions
1.2 Community Service Obligations – In-kind bins
1.3 Community Service Obligations – Not for profit organisation fee waivers

2.0 Customer Service....8

2.1 Customer Requests
2.2 Education
- 2.2.1 Education Visits to the Materials Recovery Facility
- 2.2.2 School/Community Education Program
- 2.2.3 Waste Education Trailer Program
- 2.2.4 Waste management Strategic Plan 2013-17

3.0 Asset Management....11

3.1 Hogan's Pocket Landfill Waste Disposal Tonnages
3.2 Kerbside Waste Collection Tonnages
3.3 Landfill Gas
3.4 Greenwaste Management
3.5 Projects
- 3.5.1 Sarina Rehabilitation
- 3.5.2 Sarina Transfer Station Construction
- 3.5.3 Hogan's Pocket Cell 1 Capping
- 3.5.4 Waste Services Contract Development
- 3.5.5 Bin Audit
- 3.5.6 Draft Waste Management Strategy

Regulatory/Compliance....16

4.1 Surface Water Discharge Management
4.2 Waste Facility Audit

Overview

This report is for Waste Services activities for October 2013. Significant items in this period include:

- In accordance with the approved Roadmap to Organisational Excellence outcomes waste services commenced reporting through tot eh Chief Operating Officer Water & Waste from the 1st October.
- The recently completed Sarina transfer station has opened for use.
- Hogan's Pocket Landfill capping project has progressed and mobilisation by the contractor is underway
- Tonnes of waste being landfill at Hogan's Pocket Landfill increased for October but still lower than 2012/2013.
- Landfill gas flows are continuing to improve
- The bin audit project is continuing and good data is being captured
- Community engagement on the draft waste management strategy
- Risk assessment workshop undertaken on construction and demolition waste recycling which is due to be presented back to Council in November

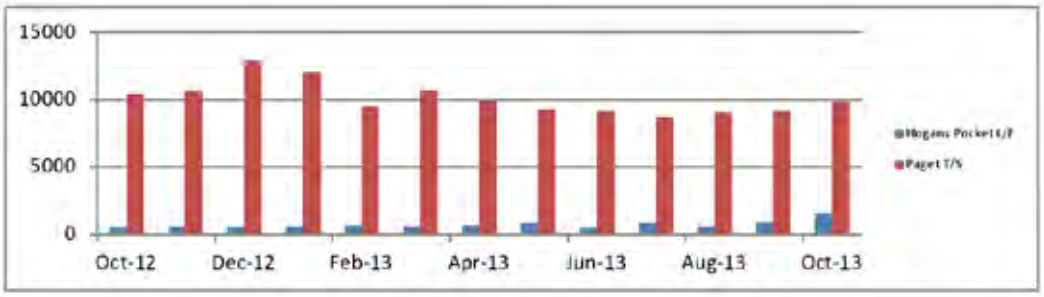
Director Water and Waste Services

1.0 Finance

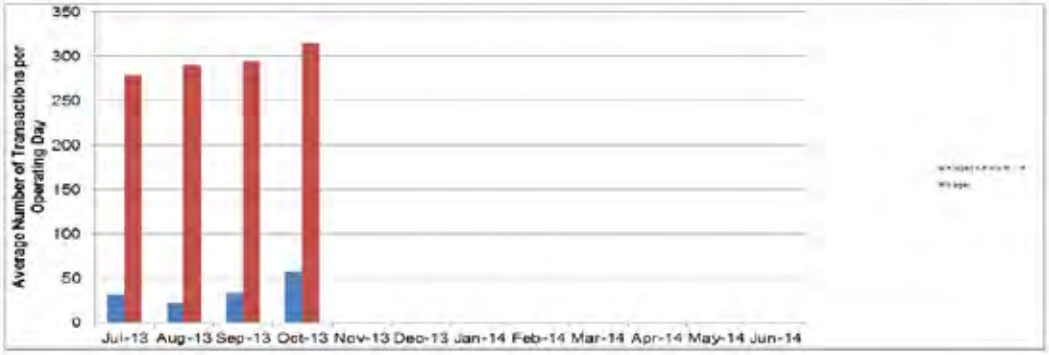
1.1 Transactions

The following graphs identify the number of transactions for each site for the month.

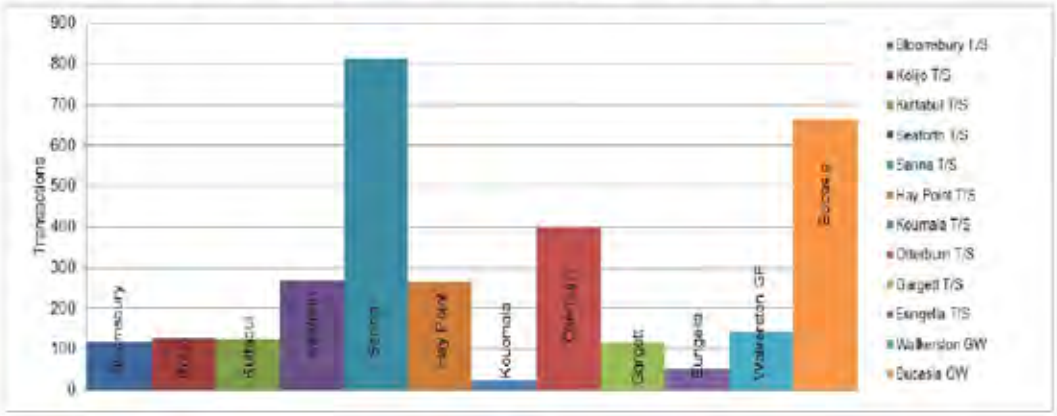
Hogan's Pocket Landfill and Paget Transfer Station – Monthly Transaction Numbers over 13 Months



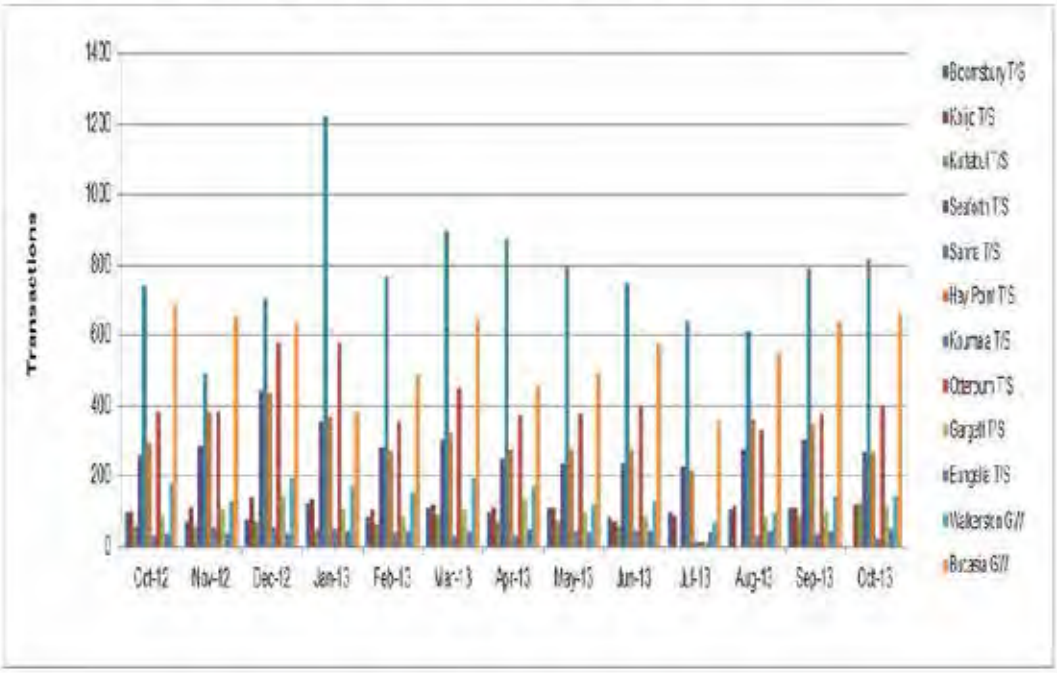
Hogan's Pocket Landfill and Paget Transfer Station - Average Daily Transactions for 2012/2013 Financial Year



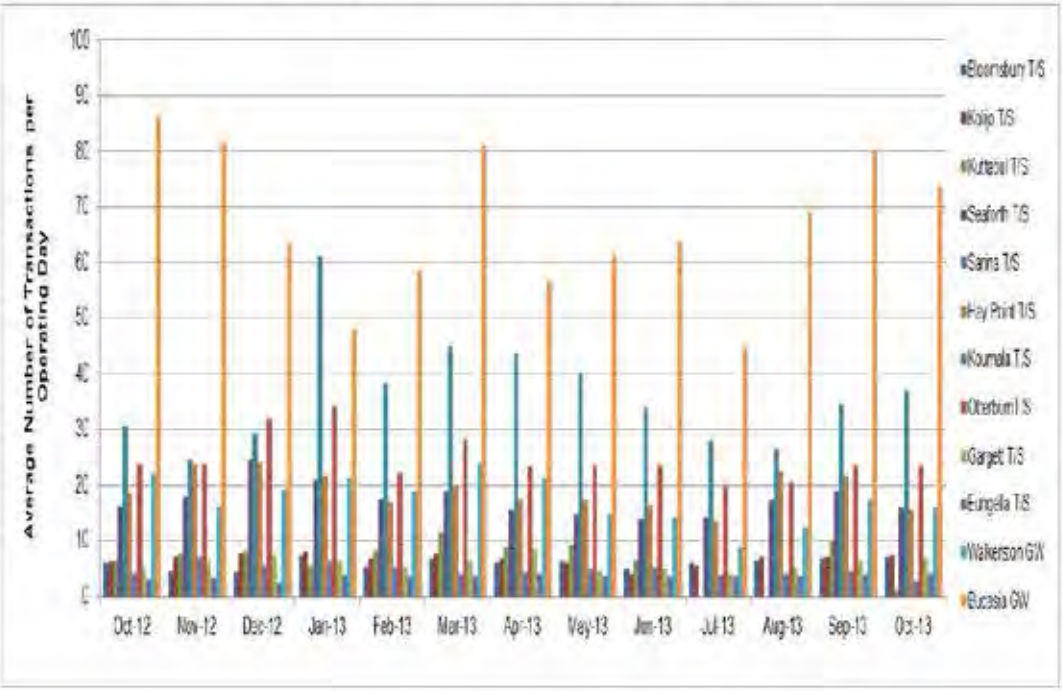
Regional Sites – Monthly Transactions Numbers for October 2013



Regional Sites – Monthly Transaction Numbers for the previous 13 Months



Regional Sites – Average Daily Transactions for the previous 13 months



1.2 Community Service Obligations – In-kind bins

The following tables outline the provision of bins for events for October 2013 and the year to date in-kind support for 2013/2014 financial year. This information is to inform Council the services that have been provided for community events.

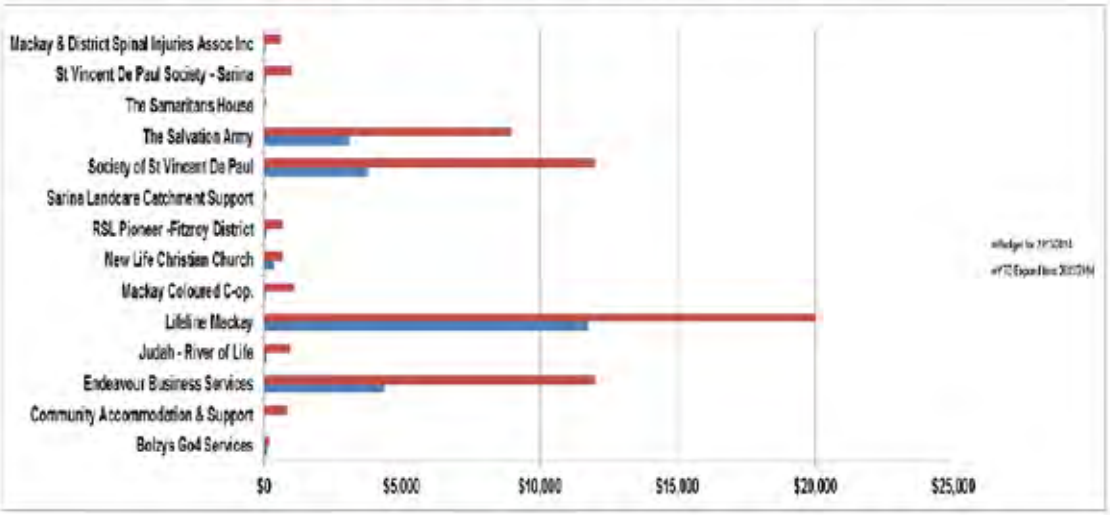
Event	General	Recycle	Skip bins	Pods
Global Grooves Event - 27.10.13	15	15	1	1
Artspace Opening Night - 28.10.13	1	1	0	0
Mackay Surf Club Carnival - 25-27.10.13	20	20	1	0
George Street Neighbourhood Centre - 25.10.13	3	2	0	0
Mackay West Rotary Club - 25.10.13	12	0	0	0
Wintermoon Festival - 4-7.10.13	25	25	0	0
Yamadi Hacc Service - 6.10.13	2	1	0	0
Mackay Rowing Club - 5-6.10.13	3	2	0	0
Fiji Association of Mackay - 5.10.13	3	3	0	0
Leukaemia Foundation of Queensland - 16.10.13	10	0	0	0
Bluewater Ecofest - 4.10.13	15	15	2	1
TOTAL	**109**	**84**	**4**	**2**

Year to Date In-Kind Support (2013/2014) - Bins	General	Recycle	Skip bins	Pods
Jul-13	185	182	12	6
Aug-13	127	81	0	0
Sep-13	36	25	0	0
Oct-13	109	84	4	2
Nov-13				
Dec-13				
Jan-14				
Feb-14				
Mar-14				
Apr-14				
May-14				
Jun-14				

1.3 Community Service Obligations – Fee waivers

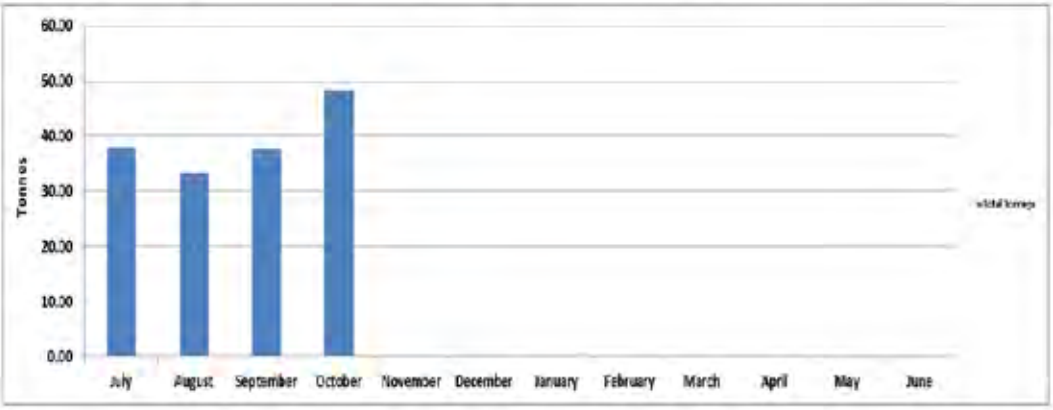
Not for Profit Organisations – Total Waste Disposals as at October 2013

Not for Profit Organisations – Detailed Waste Disposals as at October 2013



It is noted that some organisations are exceeding their YTD budgets. Waste Services issued letters to all organisations that receive this relief, on their performance during the month. For the organisations that it projected to exceed their budget, Waste Services will discuss with those specific organisations on what additional actions are required to be undertaken to ensure that they meet Council's budget. These meetings are scheduled for November 2013.

Not for Profit Organisations – Total Tonnages for 2013/2014 Financial Year



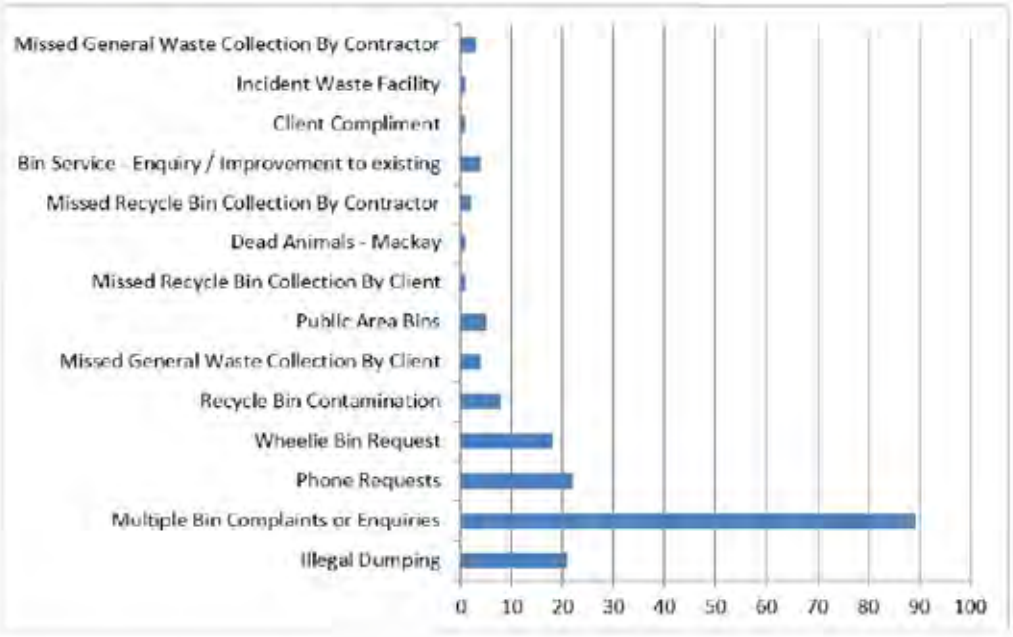
Further recognition was gained of the success of 'Don't Dump on Charity', with Sustainability Victoria seeking contacting Council for further details of the program.

2.0 Customer Service

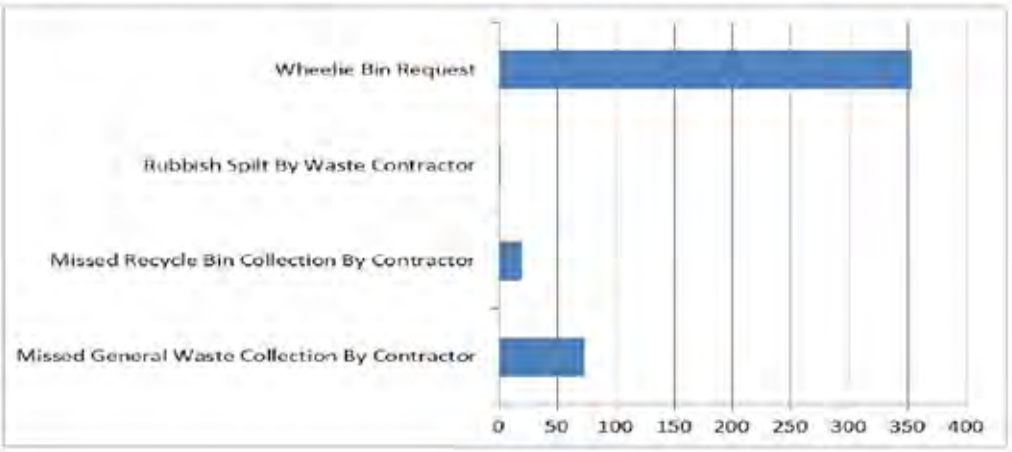
2.1 Customer Requests

The following chart shows customer request types actioned by Waste Services staff for the month of October 2013. Waste Services staff action 180 requests for the period. Highest were multiple bin complaints/enquiries and phone requests.

Number of Staff Requests by Type for October 2013

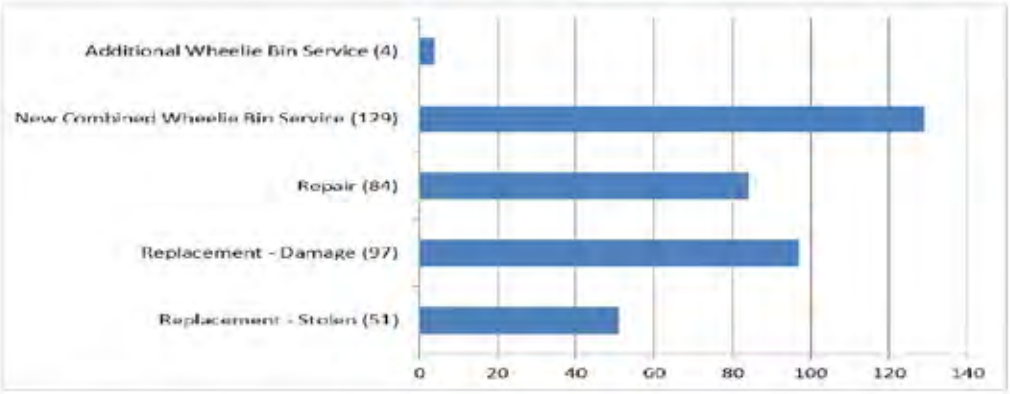


The number of bin requests actioned by bin contractors for October 2013



Breakdown of Wheelie Bin Requests – Contractors October 2013

The following chart is a breakdown of the wheelie bin request category.

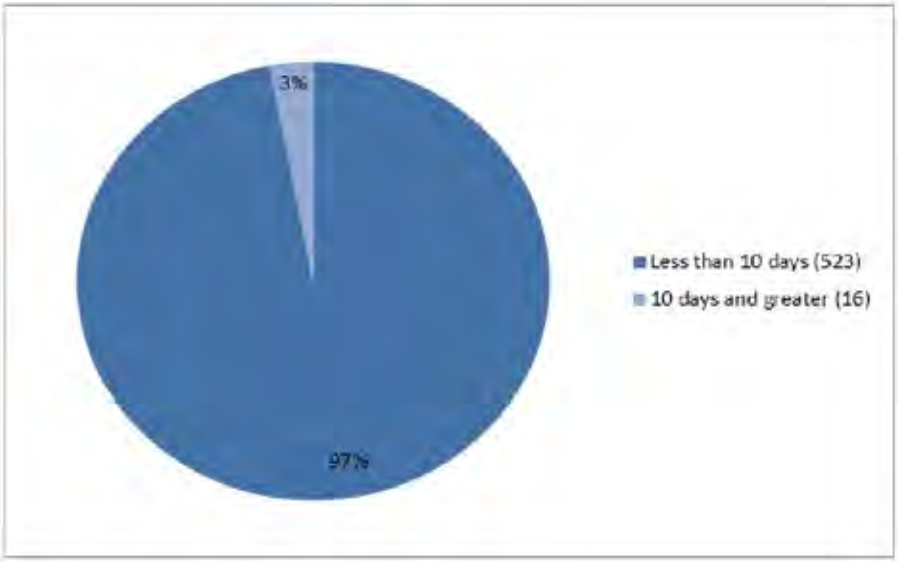


Contractor Service Delivery performance

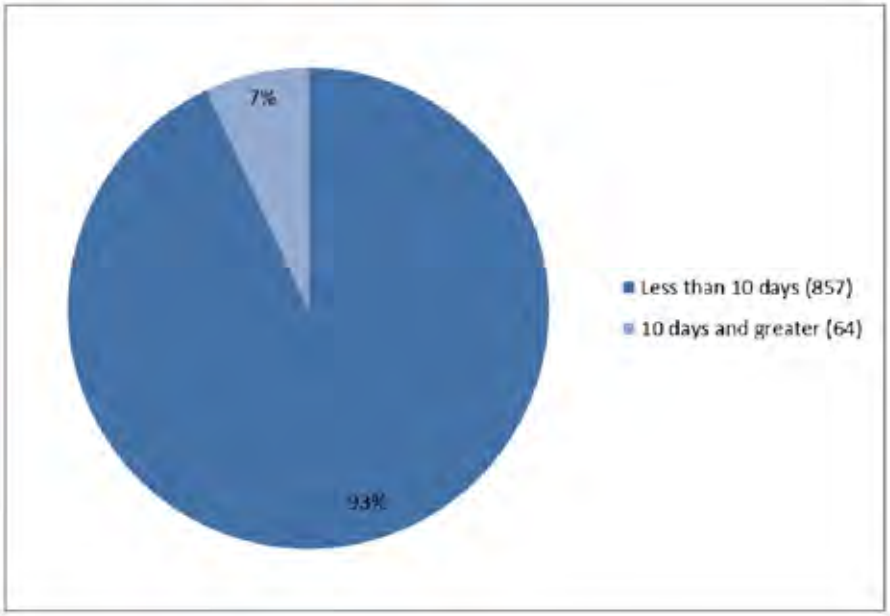
The following pie charts identify deliveries and repairs for bins that exceed 10 calendar days.

The charts illustrate the performance for both contractors, in relation to new bin deliveries, replacements and repairs. The charts indicate that there has been an improvement in performance for waste bins. Veolia is now 7% compared to 9% in September and JJ Richards' performance has remained static on 3%.

JJ Richards and Sons



Veolia Environmental Services



2.2 Education

2.2.1 Education visits to the Materials Recovery Facility

- Four visits by Marian State School. In total 88 Year 1 students and 11 adults attended.

2.2.2 School / Community Education Program

- Three recycling education sessions given at Goodstart, Mt Pleasant. In attendance were 45 children and six 6 adults.
- Six recycling education sessions given at Eimeo Road State School to year 1 students. Total attendance 148 students and seven teachers.
- Two recycling education sessions given at Mackay North Kindergarten. In attendance were 44 students and five 5 teachers.
- One Recycling education and worm farming session given at Pioneer Valley Kindergarten. In attendance were 22 students and two teachers.

2.2.3 Waste Education Trailer Program

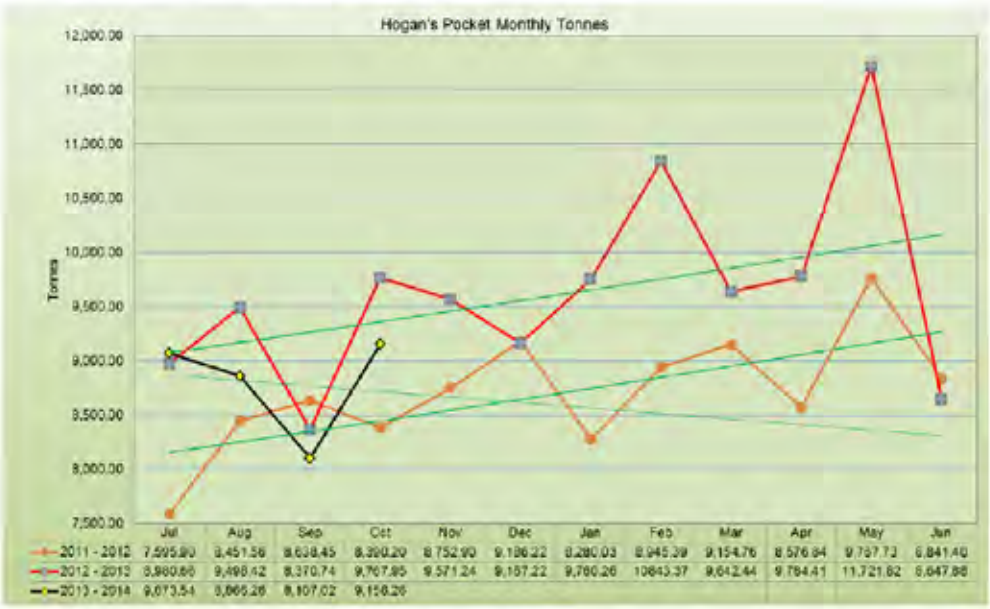
- Attended the Ecofest event with the Waste Education Trailer.

2.2.4 Waste management Strategic Plan 2013-17

- Participated in industry consultation workshops at Paget Waste Management Strategic Plan 2013-2017.

3.0 Asset Management

3.1 Hogan's Pocket Landfill Waste Disposal Tonnages

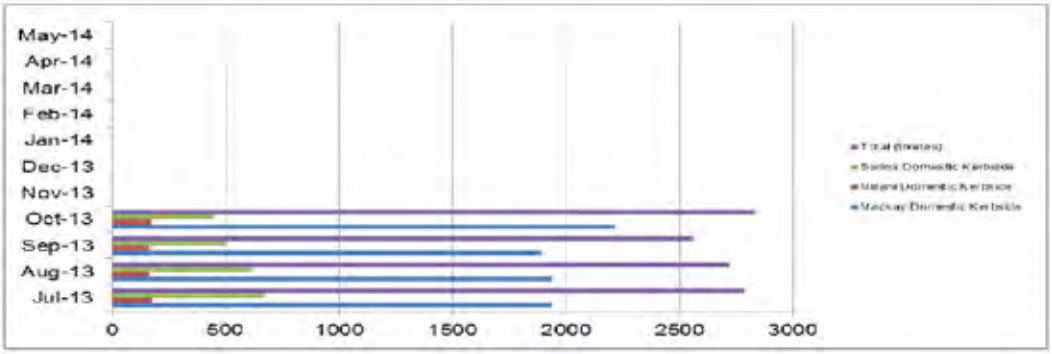


The above chart represents the monthly tonnes disposed of at Hogan's Pocket landfill. The trend lines (in green) represent the steady increase in tonnes over the previous two financial years.

October 2013 saw a 1,000t increase in waste landfilled for the month. However, it should be noted the tonnes for October 2013 was lower than October 2012 and that the total tonnes landfilled for year to date for 2013/2014 remains lower compared to the same period in 2012/2013. This is due to a reduction in volumes of project waste being received i.e. Base Hospital demolition

3.2 Kerbside Waste Collection Tonnages

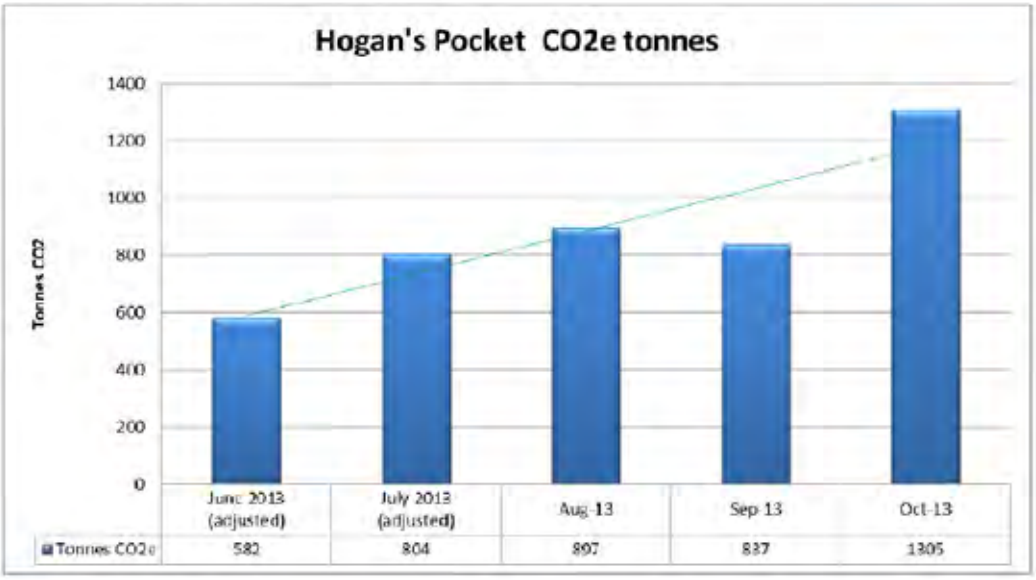
The following graph identifies the tonnes of waste that is collected per month from household collection services.



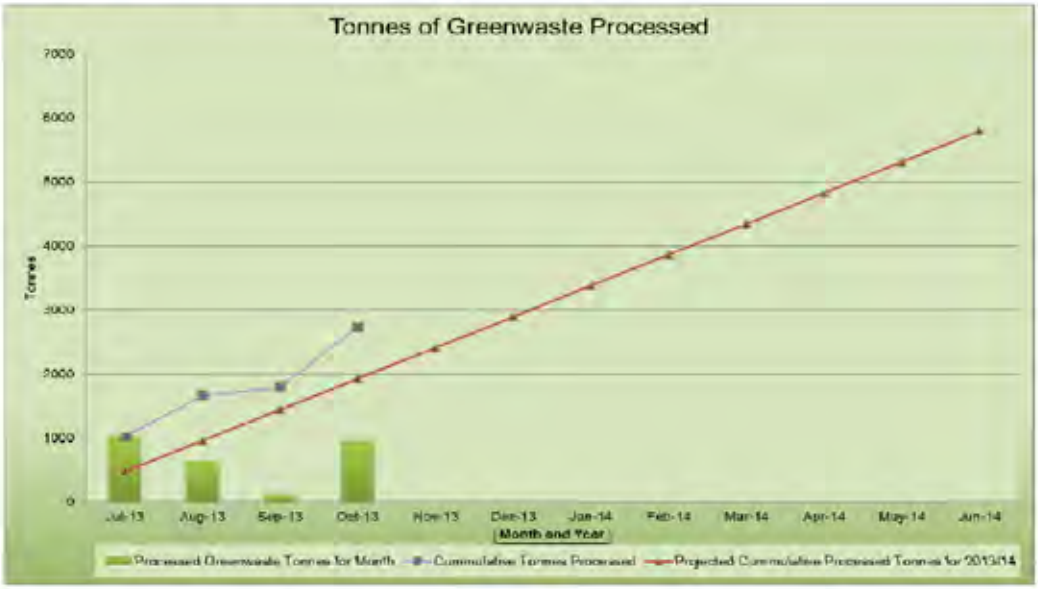
3.3 Landfill Gas

The flare at the Hogan's Pocket landfill has destroyed over four thousand tonnes of carbon dioxide equivalent emissions (CO_2-e) since commissioning in June. The below chart depicts the monthly tonnes of CO_2-e destroyed.

There has been a significant increase in gas destroyed during last month. During this same period the cell one capping project has rapidly progressed. Landfill capping is known to increase the performance of landfill gas capture and the performance will be monitored closely at the completion of the works.



3.4 Greenwaste Management



The above graph illustrates the tonnage rates for greenwaste processed for the month, the cumulative tonnes of greenwaste processed for the year to date and the tonnes of greenwaste projected to be processed linearly.

The projected tonnes for this financial year have been revised down to reflect the decrease in tonnes received at Council facilities over recent times.

Although the data indicates tonnages greater than expected, this was principally due to carryover of tonnes received in 2012/13 being carried over into July 2013. Tonnes of green waste processed for October 2013 was greater than forecasted and this has increased the year to date total above than what was expected.

3.5 Projects

Waste Services undertakes a range of projects across the business. Projects take the form of capital projects, planning, research and investigations.

3.5.1 Sarina Rehabilitation

The options review for suitable rehabilitation methods continues to be reviewed and an update on progress and direction is planned for Councillors early in 2014.

3.5.2 Sarina Transfer Station Construction

The new Sarina waste management facility opened to the public on Saturday 28 October 2013, with a smooth handover. There has been positive feedback from clients using the facility regarding the high standard of the site, the user friendly waste drop off bays and the general site cleanliness.

Currently the site is operating with three 30m volume general waste bins and one 30m steel recycling bin. This has accommodated the current waste and recycle intake with overflow bays allotted as a contingency to cater for any unexpected higher flows.

The site now is now connected to mains power, improving operations and site security. The connection has also removed safety risks associated with the use of a power generator at the site.

Image: The new Sarina Transfer Station in operation.

3.5.3 Hogan's Pocket Cell 1 Capping

The progressive rehabilitation of Hogan's Pocket Landfill commenced with possession of site being granted on 2 October 2013 for the partial capping of cell 1. The 19 week program has practical completion anticipated at the end of January 2014.

The works have been progressing well during October with the subgrade and clay rich fill material being imported and placed. There have been no variations to date.

In addition to the good construction performance there has been a good relationship between the constructor and the contracted site operator.

3.5.4 Waste Services Contract Development

Work has continued on the contract development with the focus on specification development.

In addition to this work, a risk workshop on recycling construction and demolition waste was held on 25 October 2013, with internal participants. The findings of the workshop will be presented in November for Council's consideration.

3.5.5 Bin Audit

The bin audit is a number of tasks that are conducted mainly to ensure accountability in service provisions in collection contracts. This is largely being conducted due to the lead up into the new collection contract tendering processes. The below are identified goals and progress.

A dual recycle bin audit and bin ownership audit has been conducted in areas during this month resulting in 4% of currently rated properties checked. To date 2000 properties in total have been audited. Four properties were identified as not paying and now have been corrected.

The public bin audit has been 98% completed, with all required information uploaded into MADI, which will provide GPS locations for contractors to ensure service delivery is improved.

Multiple bin presentations are being identified both in this audit and through client requests. For the month, 120 were identified in the audit with only 16 outstanding, with 66 returning the bin and 10 paying for the additional rates service.

This data is essential for the preparation of documents for the forthcoming waste collection tender.

Objective	Progress
Identify properties receiving service to ensure council is recovering all rates.	5100
Count number of 240LT bins in circulation	11%

Objective	Progress
Count & identify front lift (FL) services provided and whether an option for more locations	
Identify condition/location of public/street bins	98%
Reduce recycle contamination (3 inspections per financial year)	60.5%
Develop ongoing auditing program to ensure value for ratepayers	

3.5.6 Draft Waste Management Strategy

Community engagement for the draft waste management strategy continued in October. The dedicated web page went live with an electronic submission link with several submissions received via this method.

Three stakeholder workshops were held on 30 and 31 October 2013. The three sessions were for: Commercial and industrial waste, green waste and construction and demolition waste sectors. Pleasingly all three sessions had a high participation rate with 29, 21 and 17 attendees respectively.

As part of the engagement process follow up calls were made with all attendees to seek feedback on the workshop format and to gauge their satisfaction to the process.

To enable participants to provide further feedback or if they felt they were not able to air a point publicly, they were encouraged to use the electronic submission link on the waste strategy web page.

It is expected that the results of the engagement process will be collated and presented to Council in the near future for consideration.

4.0 Regulatory/Compliance

4.1 Surface Water Discharge Management

Waste Services is required to ensure that stormwater is effectively managed at Hogan's Pocket landfill. The aim is to limit stormwater entering the facility and to reduce the amount of sediment released into receiving environments by landfill operations.

Occasionally controlled and uncontrolled surface water releases will occur at the Hogan's Pocket Landfill. Surface water is a key risk that is managed through approved management plans. It must be stressed that this is not leachate, but surface water that contains sediments. Council must abide by its environmental licence conditions and the strict parameter limits set by the regulator. It is planned that all sediment dam releases will be reported as a KPI on environmental management for the Hogan's Pocket Landfill.

In October 2013, there were no uncontrolled releases of water at Hogan's Pocket landfill.

4.2 Waste Facility Audits

Sarina Transfer Station was included in the external safety audit on Wednesday 23 October 2013. Verbal recognition of the site's user friendly design for both the public and staff safety was evident in audit.

8.5 COUNCIL ADOPTION OF 2012-2013 ANNUAL REPORT

File No **MRC**
Author **Manager Corporate Communications and Marketing**

Purpose

For council to adopt the Mackay Regional Council Annual Report for the period from July 2012 to June 2013.

Operational Plan Linkage

7.9.2 Provide accurate and reliable financial information.

7.11.2 Deliver an easy to read and informative Annual Report, detailing council's performance and meeting legislative requirements.

7.15.1 Provide a governance framework to ensure public accountability, transparency and conformance with policies and legislation.

Background/Discussion

Under the *Local Government Act 2009*, it is a requirement for a local government authority to prepare an Annual Report for each financial year. The report must be presented to council for adoption prior to November 30 in the year after the end of the financial year to which the report relates.

Mackay Regional Council's 2012-2013 Annual Report has been prepared with the co-operation of Financial Services, Governance, management and staff. It meets all statutory requirements.

The report has been developed with a focus on providing an overview of the year's achievements, information on key projects and a detailed synopsis of how the organisation faired for the 2012-2013 financial year.

Extensive consultation was carried out with all relevant program managers and staff.

Managers from most council programs provided information in the compilation of the Annual Report.

Consultation and Communication

There was extensive consultation with all council programs with most providing statistical data and information about their achievements. Additional consultations were conducted with the Local Government Association of Queensland.

Resource Implications

Compilation of the Annual Report was completed by the staff in Corporate Communications and Marketing. The report's design was produced by council's graphic designer. Printing, photography and CD amounts to a total of $8,000.

Risk Management Implications

It is a requirement under the *Local Government Act 2009* to adopt an Annual Report prior to the November 30 deadline. Failure to comply is not good governance and a breach of the Local Government Act.

Conclusion

The 2012-2013 Annual Report has been prepared in compliance with the requirements of the *Local Government Act 2009* and *Local Government Finance Standards*. The report includes the Audited Financial Statements for the period July 1 2012 to June 30 2013.

Officer's Recommendation

THAT the 2012-2013 Mackay Regional Council Annual Report, including the financial statements be adopted.

Attachments

1. Completed design of the 2012-2013 Annual Report, including Audited Financial Statements

Passionate people, together we prosper

Mackay REGIONAL COUNCIL

Mackay REGIONAL COUNCIL

annualreport 2012-2013

Passionate people, together we prosper

foreword

The theme of this annual report was not chosen lightly or flippantly. To us, our achievements are much more than facts and figures.

Our passionate people - both within council and our community – are by far one of our greatest assets and this annual report aims to reflect that. This year we not only celebrate our annual financial and community achievements but also the people who have made them possible.

Our councillors are working together as a cohesive team. Our staff are passionate about serving and engaging with our community. Collaboratively we are dedicated to making valuable changes for the betterment of our entire Mackay region and its residents.

Together we prosper.

copies

Copies of our 2009-2014 Corporate Plan, our Community Plan 2011-2031, this annual report and council's financial statements are available free of charge electronically on our website: www.mackay.qld.gov.au.

Download a QR app and use your smart phone to scan this code and be linked straight to our website.

feedback

We want to hear from you!
Please direct any feedback or suggestions about this annual report to our Communications and Marketing program on 1300 MACKAY (622 529) or email council@mackay.qld.gov.au.

our vision

Prosperous, Sustainable and Vibrant

and mission

To deliver the vision for the Mackay region in partnership with our community and to strive for excellence in planning, delivering and managing community services and facilities.

index >

Mackay REGIONAL COUNCIL

Fast facts 2
Mayor's foreword 3
CEO's foreword 4
Councillor profiles 5
Corporate structure 10
Our organisation 11
Corporate Plan 18
Community & lifestyle 20
Economic development 28
Environmental sustainability 36
Strategic planning 44
Infrastructure services 48
Organisational excellence & governance 56
Mackay Waste Services report 64
Mackay Water Services report 72
Community Plan update 82
Community Financial Report 84
Legislative requirements 90
Independent Auditor's Report 98

Gemma O'Neill of New Zealand (right), pictured with Anil Silwal of Nepal (centre) and Liz Crane of Wales (left).

fastfacts

Mackay >

> Area: 7622 km²
Mackay is double the size of Townsville (3736km²) and larger than Cairns (4135km²) and the Sunshine Coast (2883km²)

> Population: 119,081 people

> Average daily temperature: 17°- 26.7°

> Annual growth rate: 2.6% (2011-2012)
The Mackay Local Government Area is one of the fastest-growing regions in Queensland

> The traditional custodians of our land are the Yuibera people

> 31 unspoilt beaches

> 1 picturesque blue river

> 1 pristine rainforest hinterland

< what our people say

"We moved to Mackay for the amazing work and lifestyle opportunities on offer. We haven't looked back since, and now consider Mackay our 'home away from home'. We couldn't see ourselves living anywhere else in Australia, Mackay has everything we need and want."

Gemma O'Neill
Sport and Recreation Co-ordinator

mayor

While this year has been one full of challenges for council in a high-growth area, it has also been one of opportunities.

The opportunity to foster a thriving and supportive relationship between our council and Whitsunday and Isaac regional councils has been achieved. This strong partnership will provide a sound platform for each council to take a regional approach to business. The appointment of Barry Omundson as our new Chief Executive Officer (CEO) will put council in good stead to ensure we are well positioned to make the most of opportunities now and into the future.

To ensure we grasp growth in a sustainable way, we have embarked on developing a Regional Sustainability Strategy for Mackay. As a council, we have been funding a range of growth projects, providing a multi-million-dollar infrastructure renewal program and continuing to deliver levels of service that are not necessarily sustainable for the next 20 years. Our Regional Sustainability Strategy will align our land use planning with funding of necessary infrastructure to accommodate our growth and determine the levels of service we need to ensure a prosperous, sustainable and vibrant region. A comprehensive community engagement program is planned for next year and, once completed, the strategy will ensure as an organisation we are able to sustainably deliver the services our community needs and wants.

In terms of engagement, we spent 12 weeks getting out and engaging with residents, local developers and industry stakeholders on our draft planning scheme. This and the work arising from the Regional Sustainability Strategy will provide for urban and industry growth while also enhancing our good-quality agricultural land and environment. Pleasingly, we were also successful in including the Mackay Ring Road in government and opposition forward-planning initiatives. This project, which will link the northern and southern parts of our city, is an essential step towards protecting the integrity of our national highway.

The focus going forward will be on delivering organisational excellence, engaging with our community on the Regional Sustainability Strategy and further reducing our operating costs and improving efficiencies. As an organisation we are eager to face these challenges. I hope you take the time to read this Annual Report, which provides a snapshot of what we have achieved during the 2012-2013 financial year. I wish to commend all staff for their commitment and dedication to our community and our organisation.

> "The work arising from our draft planning scheme and Regional Sustainability Strategy will provide for urban and industry growth."

Mayor Deirdre Comerford
Emergency Management portfolio
Phone: (07) 4961 9455
Email: deirdre.comerford@mackay.qld.gov.au

deirdre **comerford**

As a former Director for Mackay Regional Council, I'm excited to return to the tropics and take up the role of Chief Executive Officer.

"I'm focused on creating a culture at council where we can grasp the significant opportunities and manage the challenges that our rapidly growing region provides."

The Mackay region is a unique place. Home to one of the fastest-growing regions in the state, it boasts beautiful natural environments and strong industries. To meet the needs of our growing community and protect our natural assets, I'm focused on creating a culture at council where we can grasp the significant opportunities and manage the challenges that our rapidly growing region faces.

I will be reviewing our organisational structure and looking at how we can improve the delivery of our client services, our roads and our major infrastructure projects to ensure we meet the needs of our community both now and well into the future. There will be no quick fixes, and business as usual will likely be a struggle as we grapple with the economic environment in terms of maintaining service levels.

As an organisation we are doing some amazing things, and won eight awards during the year. We are also leading the way in many areas – sustainability, communication and building a healthy and inclusive community.

I am looking forward to working with our Mayor and councillors, our management team, staff and our community and businesses to deliver a great client experience while working together in shaping a region we are all proud of.

barry omundson

councillor profiles

kevincasey

Deputy Mayor Kevin Casey
Roads and Drainage portfolio
Ph: 0417 168 730
Email: kevin.casey@mackay.qld.gov.au

"With an additional 66,000 people expected to live in the Mackay region in 20-years' time, I'm deeply committed to developing and maintaining infrastructure that will adequately service this rapid rate of growth."

"Completing the majority of our extensive Capital Works Program, despite weather delays, was a major success this year along with the maintenance of our sealed and unsealed roads and drainage networks they were finished on time and to budget.

Our major project, Connors Road, is almost complete and this upgrade will prove a fantastic asset not only for our bustling Paget industrial area but for our Mackay regional economy as a whole.

We're on track to completing the Bluewater Trail and well on the path to implementing a Walking and Cycling Committee to enhance the fitness and lifestyle opportunities of our local community."

"Linking up with local community groups, businesses and committees has been the key ingredient in our ability to deliver a great number of successful events and programs region wide."

"Events such as the Sarina Festival and Ute Muster, River Rock to Mountain Top and the Festival of Arts along with facilities such as Artspace Mackay and the Mackay Entertainment and Convention Centre would not have achieved such success and patronage without many hands working together.

Working with a host of passionate people we strive to make our vision of a thriving environment of tourism and cultural growth that stimulates our economy. Providing entertainment that can be enjoyed by a diverse cross section of our community enriches the artistic and cultural lifestyle attributes that our region has to offer our people and our visitors."

Cr Chris Bonanno
Festival, Events and the Arts portfolio
Ph: 0408 775 788
Email: chris.bonanno@mackay.qld.gov.au

chrisbonanno

laurence bonaventura

"Forming the Improving Waste Outcomes Group has been a great step forward in raising awareness and improving waste habits of council as well as businesses and community members."

"I'm proud to say I, together with our council staff, helped to facilitate approval for the construction of a much-needed $2.4 million Sarina Waste Transfer Station. As the council representative on the Local Authority Waste Management Area Committee (LAWMAC), I make it my business to keep myself up-to-date with the views and needs of locals.

I've enjoyed and embraced any opportunity I can get my hands on to learn more about the processes, needs and wants of residents across my portfolio. One such event that proved particularly beneficial was the Environmental Health Australia Northern Conference. While in attendance as the opening guest speaker, I also took advantage of this opportunity to expand my knowledge of health and regulatory issues facing council staff and community members throughout North Queensland."

Cr Laurence Bonaventura
Waste, Health and Regulatory Services portfolio
Ph: 0427 638 673
Email: laurence.bonaventura@mackay.qld.gov.au

frankgilbert

"My primary focus this year has been to lay the foundation for future service improvements region wide for the year ahead."

"Examples include the commencement of work on the Sarina Sewerage Treatment Plant and finalising planning of the Marian Water Treatment Plant.

Additionally, we installed 7000 Taggle devices – clever automatic water meter-reading technology. These meters now have the capacity to provide council with real-time meter information and have already alerted us to a number of private-property leaks, allowing officers to notify property owners sooner rather than later.

To ensure our ratepayers get the best value for money, we also introduced the Water and Sewerage Capital Advisory Committee, giving us the ability to focus on scrutinising our capital program. I'm looking forward to continuing to realise the benefits of improving information delivery to our customers, reducing our operating costs and hopefully reducing overall water consumption of our region."

Cr Frank Gilbert
Water & Sewerage portfolio
Ph: 0427 530 774
Email: frank.gilbert@mackay.qld.gov.au

councillor profiles

alisonjones

Cr Alison Jones
Community Development and Libraries portfolio
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"I've always had a passion for people. As a dedicated volunteer of more than 20 years, I strive to instil a sense of community spirit in everyone around me through my councillor duties."

"I'm focused on inspiring others, working hard and opening the lines of communication to promote the positive services and support networks our council has to offer. I am proud to have been involved in rolling out the Healthy Rural Communities initiative, and heavily supported the first Japanese Children's Day at Artspace Mackay, the introduction of Zinio e-magazines and Bolinda e-books at the libraries, the refurbishment of the Sarina Library and significant Mackay 150 projects and celebrations.

I was also involved in the establishment of the Australian South Sea Islander (ASSI) 150 steering committee that celebrated the anniversary of the arrival of South Sea Islanders to Queensland."

"As a former journalist of 25 years, I am experienced in working to tight deadlines, which has boded well for me during my first term with council; we've certainly achieved a lot in a short period of time."

"I feel privileged and excited to be part of some major regional changes and developments. With council support we acquired Federal Government funding for a joint $18.6 million Mackay CBD rejuvenation project that will revitalise and beautify our important City Centre and we've worked hard to deliver improved amenities at our Sarina Business Centre.

For me, economics and tourism is not just about encouraging visitors to holiday in our Mackay region, its about creating an environment residents are proud of that's equipped with all the facilities, amenities and services they need and want. I'm deeply passionate about creating a place we are all proud to call home."

Cr Greg Martin
Tourism and Economic Development portfolio
Ph: 0418 887 756
Email: greg.martin@mackay.qld.gov.au

gregmartin

"Elected to my third term as a councillor in 2012, I've been heavily involved in the processes associated with the development of the Draft Mackay Region Planning Scheme."

"This included one of the most comprehensive community consultations ever undertaken by council. Planning for our future is not just a job for council, but rather something we as community members must work together to achieve.

Council has also been hosting monthly forums with development industry representatives and developers themselves to streamline the input/communication process in an outcome-driven rather than process-driven approach to planning. Pleasingly during this time – and against a backdrop of unprecedented growth – our region emerged as one of the fastest-growing in Australia. In my opinion, working together is most certainly the best way for us to continue striving to be a prosperous, sustainable and vibrant region both now and into the future."

davidperkins

Cr David Perkins
Planning and Development portfolio
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theresamorgan

Cr Theresa Morgan
Parks and Environment portfolio
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Email: theresa.morgan@mackay.qld.gov.au

"Working with council officers and community groups to maintain and improve the many parks and beaches in our region is what I enjoy most about working in the Parks and Environment portfolio."

"A major achievement over the last year that I am particularly proud of is the management and clean up of Blacks Beach Spit; this was achieved by council working in partnership with our community. The completion of our Meadowlands Amphitheatre and successfully hosting the first event at this facility has also been a great experience.

Looking forward, council in partnership with Griffith University will be undertaking a biodiversity study at Eungella to monitor the impacts of climate change. As chair of the Improving Visual Amenity Working Group, we are focused on beautifying our region by enhancing our entrance corridors, greening our City Centre and identifying areas for visual improvement."

councillor profiles

"I'm committed to creating a region with access to healthy facilities and services."

"Over the last 12 months I helped to secure funding from the State Government and local service clubs and businesses to build a new skate park in Sarina. We proudly delivered the North Queensland Games to Mackay and I was chair of the organising committee of another successful Mackay Sports Expo and Sign-On Day, which gave residents and families the opportunity to find a host of sporting information in the one place.

Planning for a healthy future is also at the forefront with the completion of the Pioneer Valley Sporting Needs Analysis and the Master Plan for the proposed CQUniversity Mackay Regional Sports Precinct (MRSP).

I will continue to implement the Open Space, Sport and Recreation Strategy 2010 - 2016 and work to ensure the proposed CQUniversity MRSP goes ahead as we strive to provide top-notch facilities region wide."

paulsteindl

Cr Paul Steindl
Sport, Recreation & Facilities portfolio
Ph: 0403 266 216
Email: paul.steindl@mackay.qld.gov.au

rosswalker

Cr Ross Walker
Finance and Technology portfolio
Ph: 0429 615 711
Email: ross.walker@mackay.qld.gov.au

"As a former Mirani cane farmer of 35 years, Chair of the Australian Cane Farmers Association and experienced businessman (with a degree in Business), I have the drive and passion to always remain in touch with the needs of rural communities and local organisations alike."

"As a reflection of this, we managed to prepare and plan for the lowest rate rise in five years for owner/occupiers and provide a substantial increase to the pensioner rebate despite a $1.2 million reduction in State and Federal Government subsidies. In planning for the future, we allocated $820,000 towards our Regional Sustainability Strategy and revamped our long-term financial forecast – council's financial blueprint for the future. To further enhance our internal business management operations, a cross-council succession planning project was implemented and we improved our regional map coverage via a new MiMaps system. Pleasingly, the Queensland Treasury Corporation (QTC) rated our council to be in a sound financial position."

corporatestructure

Chief Executive Officer

Community Services

- Community Development
- Convention Precinct and Events
- Economic Development
- Libraries
- Property Services
- Recreation Services

Development Services

- Business Support
- Development Assessment
- Development Engineering
- Health and Regulatory Services
- Strategic Planning

Water and Waste Services

- Business Services
- Infrastructure Delivery
- Planning and Sustainability
- Treatments
- Networks
- Waste Services

Corporate Services

- Administration
- Asset Management
- Corporate Communications
- Customer Service
- Financial Services
- Governance
- Human Resources
- Information Services (Information Technology)
- Procurement and Plant

Engineering Services

- Business Services
- Civil Operations
- Civil Projects
- Emergency Management
- Parks and Environment
- Technical Services

ourorganisation

our values

Council is responsible for meeting tangible outcomes that are achieved in an appropriate workplace culture and environment. In support of this, the organisation embraces the following guiding principles:

Quality service and outcomes

+ Recognising that service to our community is our reason for being.
+ Encouraging an innovative and professional customer service focus.

Integrity with accountability and responsibility

+ Acting in an honest, impartial and trustworthy manner and engendering a confidence both within our community and our organisation.

Customer satisfaction

+ Respecting internal and external customers.
+ Developing services and service levels that meet customer expectations.

Commitment to the region

+ Ensuring our actions serve the people of the Mackay region and their long-term interests.

Value

+ Providing services and facilities that offer value for the community in terms of cost, quality and reliability and that are economically and ecologically sustainable.

Teamwork and collaboration

+ Effective and efficient teamwork ensuring the principles of good governance are applied to achieve the best value outcomes for the community

Participation and community engagement

+ Providing genuine opportunities for informed community involvement in decision-making in a framework of local democracy.

our staff

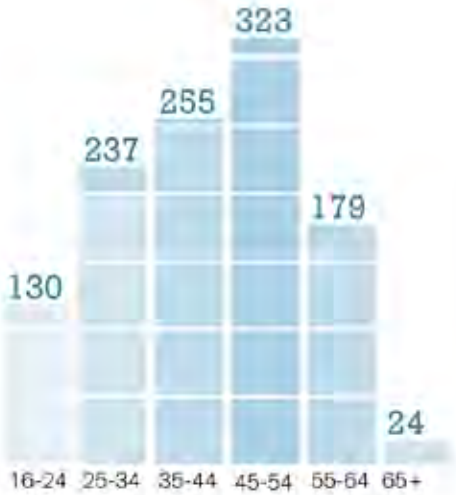
We employ more than 1000 people at Mackay Regional Council. This year we filled 427 positions and hired 276 new staff.

Total headcount of staff

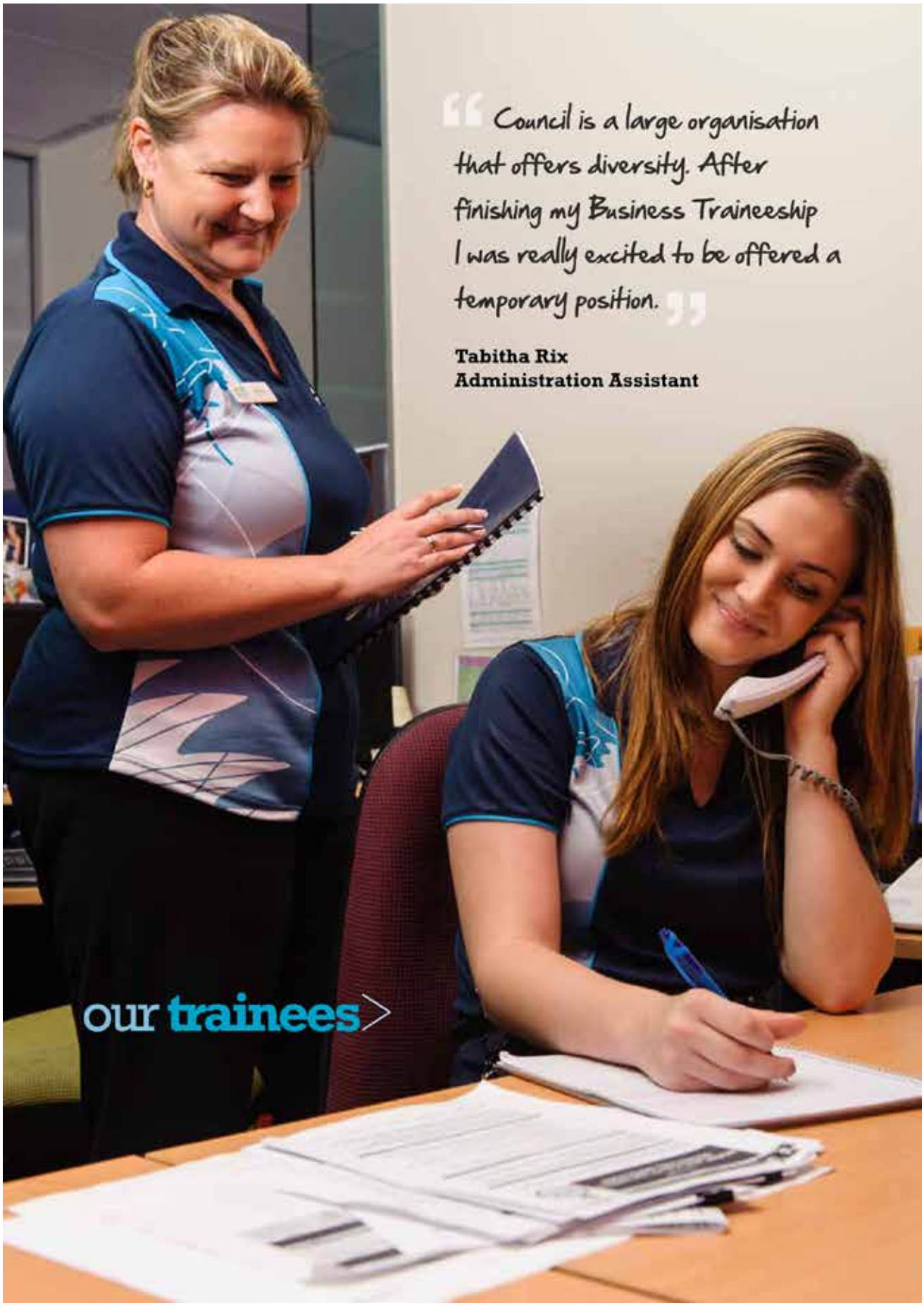
2011 - 2012 = 1073
2012 - 2013 = 1148
(includes full time, part time, casual, temporary, apprentice and trainee positions)

Breakdown of staff

Full time = 899
Part time = 73
Casual = 79
Temporary, apprentice and trainee = 97



Age spread of employees


"Council is a large organisation that offers diversity. After finishing my Business Traineeship I was really excited to be offered a temporary position."
Tabitha Rix
Administration Assistant
our trainees

"I'm currently halfway through a Certificate III Engineering Mechanical Trade out at Mirani Depot. I absolutely love working in diesel fitting and my team is really supportive."

Nicole Bourne
Second Year Apprentice

"Learning to manage organisational projects across a host of different areas is a key focus of my Masters in Project Management (University of Sydney). Working on team assignments has allowed me to hone my team management and time management skills."

Neeta Silwil
Civil Project Engineer

Our 25 Year Service Club celebration at the MECC

Learning and development activities

+ We sponsored and co-ordinated more than 47,000 training courses throughout the year. Staff took part in computer classes, health and safety courses and leadership programs.

Self-education assistance

+ Four staff members were approved for self-education assistance and 38 employees undertook study.

Council mentoring program

+ Twenty-eight staff took part in this program to broaden their knowledge and leadership skills within Local Government.

Work experience program

+ Thirty-three students took part in this program across a range of areas from diesel fitting, horticultural/ conservation and electrical to libraries, events and sound/lighting.

Recognition of service

+ Council's 25 Year Service Club now boasts a total of 67 members. Eight of our tireless workers clocked up 25 years of service this year:

Anthony Borics
Leading Hand Mobile Plant, Plant and Procurement

Brendon Carter
Maintenance Engineer, Civil Operations

Eric Williams
Leading Hand Maintenance, Civil Operations

Guus Hoogland
Local Laws Officer, Health and Regulatory Services

Ian Rankin
Supervisor Bridges/Assets, Civil Operations

John Caldwell
Manager Development Assessment, Development Services

Lawrence Borg
Truck Driver, Engineering Services

Richard Morrow
Labourer, Water and Waste Services

"Most people who visit Greenmount Homestead say they've never seen anything like it before. I've worked and volunteered here for almost 30 years yet the homestead is just as the Cook family left it. It's rewarding to read comments such as 'Tremendous' or 'Keep up the good work' in our visitors' book."

Gloria Arrow
Retired housekeeper/caretaker and Greenmount Homestead volunteer

our volunteers

Artspace Mackay

+ Volunteers helped the Artspace Mackay Foundation raise $5000 through the Vintage Valuation Roadshow. The funds purchased new artwork, equipment and programs.

Festival of Arts

+ More than a dozen volunteers lent a hand at community events during the year including the Mackay Festival of Arts, The Lanes Easter Festival, River 2 Reef Festival and council's multicultural event, Global Grooves.

Greenmount Homestead

+ The homestead proudly recorded almost 1000 visitors through its doors (in spite of a three-month closure for maintenance).

Libraries

+ Friends of the Libraries donated thousands of dollars to key council projects including Whitsunday Voices' short story competition and the creation of a new Gordon White Library (GWL) Book Shop. They also raised $4500 at the GWL August book sale and created a Friends Facebook page.

Mackay Entertainment and Convention Centre (MECC)

+ Friends of the Theatre purchased $50,000 worth of moving lights for the centre to ensure shows and corporate functions have the very best technology and lighting effects.

Mackay Regional Botanic Gardens

+ Joined by Members of Mackay Host Lions, the Friends of the Gardens planted more than 1000 plants at the developing Meadowlands sector. They also funded three interpretative signs on the Lagoon Lookout Deck that portray the past, present and future of the Botanic Gardens, a children's book and a botanical art calendar for 2014 - all to celebrate the Garden's 10th birthday.

Natural Environment

+ Six hundred natives were planted during Coastcare Week in December. Volunteers also invested over 300 hours at Bucasia and Elmeo beaches, Ball Bay and Blacks Beach Spit. More than 400kg of succulents were removed from Bucasia during a single working bee.

Orchid House

+ Orchid House volunteers re-potted thousands of plants, therefore saving council hundreds of dollars on the cost of buying new ones.

Sarina Sugar Shed

+ Volunteers and staff branded and bottled tomato relish (sold 487 bottles) and onion relish (529 bottles), which effectively generated about $6500. The Shed also launched and sold more than 1500 pails ($7000 worth) of its own ice-cream line – Mooscoop – featuring 10 different flavours.

"My wife Robin joined Friends of the Gardens 10 years ago and I joined a few months later so we could share a hobby. We feel that through our volunteer work we can make a real difference helping to enhance the lifestyle opportunities and the extension of regional native species in our region."

Bill McWhinney
Friends of the Gardens president

"I feel incredibly fortunate to be a volunteer to meet new people, form new friendships and learn new skills. I look forward every week to helping out at the Orchid House re-potting, fertilising or displaying – it's a real labour of love for me."

Ann Douglas
Orchid House volunteer

corporateplan

Our strategic priorities are those major opportunities and challenges that our community believes need to be addressed in the Mackay region. They include:

Community & lifestyle

+ To build safe, strong and self-reliant communities with access to a diverse range of community services and facilities aimed at providing opportunities for participation in community life.

Economic development

+ To promote a strong, competitive and diverse economy throughout the region by supporting and investing in sustainable business development and local employment opportunities.

Environmental sustainability

+ To enhance and protect the environmental assets of the region, ensuring a protected/preserved natural environment for future generations.

Strategic planning

+ To take an active approach to integrated regional planning to reflect the aspirations and lifestyle of our community.

Infrastructure services

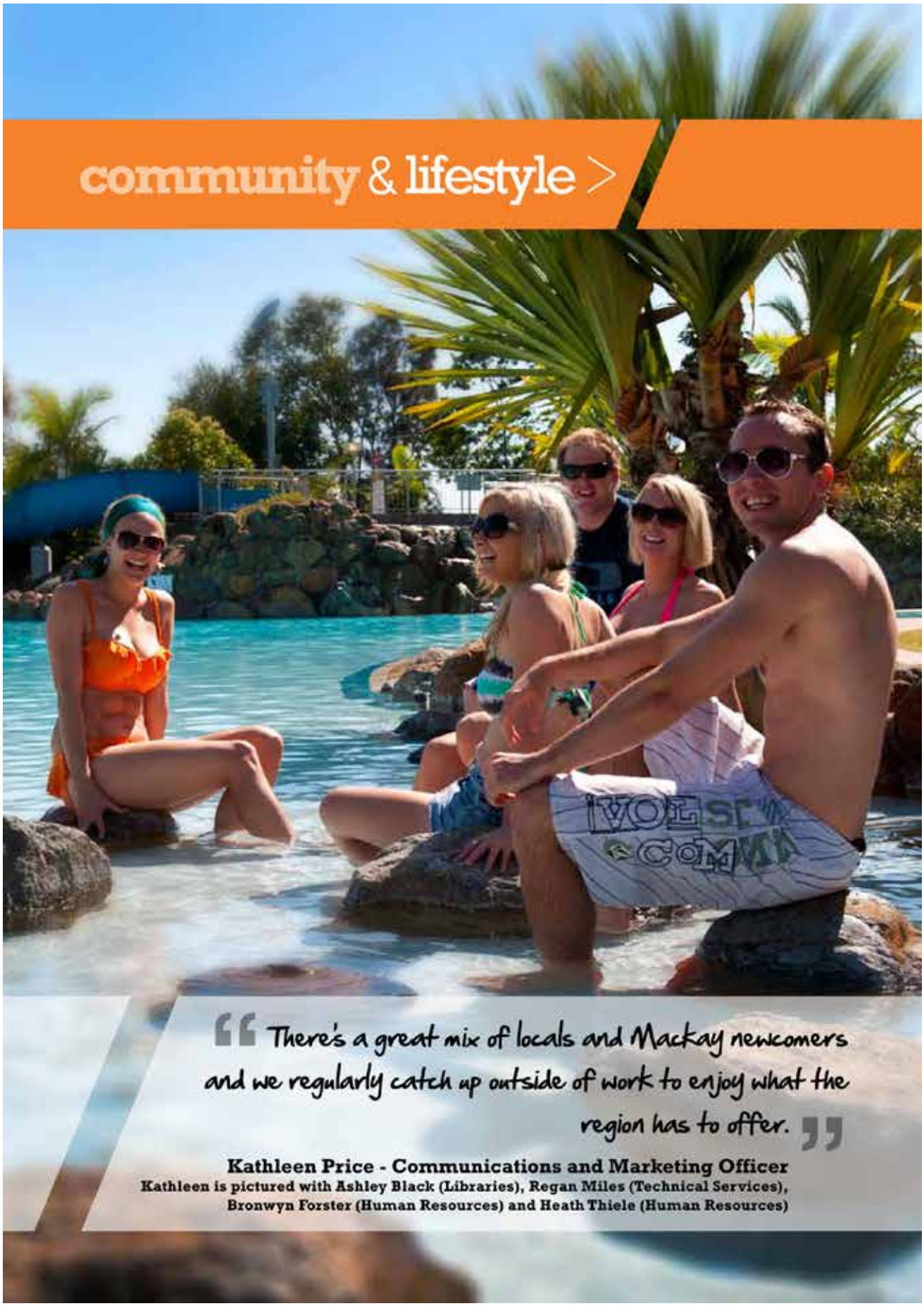
+ To effectively plan, deliver and maintain physical services and infrastructure networks for our community's current and future needs.

Organisational excellence & governance

+ To pursue excellence as an organisation which embraces exceptional customer service, values its staff and promotes ethical standards of practice supported by clear policies and strategies responsive to the needs of the community.

Mackay Water and Waste Services

+ To provide and manage high-quality water and waste programs on a commercial basis that meet social and environmental objectives.


community & lifestyle >
"There's a great mix of locals and Mackay newcomers and we regularly catch up outside of work to enjoy what the region has to offer."
Kathleen Price - Communications and Marketing Officer
Kathleen is pictured with Ashley Black (Libraries), Regan Miles (Technical Services), Bronwyn Forster (Human Resources) and Heath Thiele (Human Resources)

fast facts >

> Mackay has over 30 different nationalities
> 4 swimming pools and a three-tiered Bluewater Lagoon
> 592 hectares of open space for sports and recreation
> 26 boat ramps
> 253 parks and reserves
> 111 playgrounds including an all-abilities playground
> 7 skate parks
> 1 international sports stadium (Virgin Australia Stadium)
> 1 award-winning Bluewater Trail (15km shared pathway around the City)
> 5 libraries and 1 mobile library
> 1 youth centre
> 13 community halls and the Seaforth Recreation Centre
> 9 SES facilities.

snapshots >

Aquatic facility visits

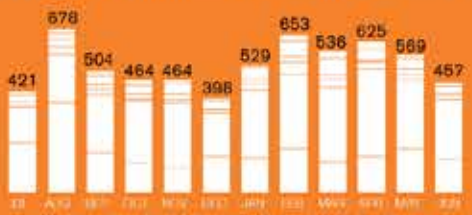
+ We saw a 48 per cent increase in visitation to the Memorial Swim Centre. Overall visitation to all swim centres grew by around 10 per cent.

Swim Centre	2011-2012	2012-2013
Memorial	17,714	26,343
Pioneer	24,927	23,791
Mirani	9593	10,182
Sarina	7791	6052
Bluewater Lagoon	300,506	305,439

Library Services

+ Our region's library membership grew by 6339 this year, bringing the total membership count to 38,873. We also added about 24,000 new items to our collection. Members borrowed about 705,000 items ranging from books, DVDs and CDs to eLoans – Bolinda Digital eAudiobook, eBooks, Safari Tech Books and Zinio Digital Magazines.

New library members - monthly breakdown



community & lifestyle

The award winning Bluewater Trail

awards

"Onno was the visionary and leader behind two award winning council projects – the Bluewater Lagoon and the Bluewater Trail – that offer residents the chance to get outdoors and live a healthy lifestyle."

Camilla Williams
LGAQ Healthy Workers Advisor

> Winner of the 2012 Local Government Association of Queensland (LGAQ) award "Senior Manager Healthy Leader"
> Onno Van Es
Manager of Recreation Services

> Winner of four 2012 Mackay Spinal Injuries Association awards:

"Inclusive Community"
> Mackay Regional Council

"Best Recreation-Leisure and Entertainment"
> Bluewater Lagoon and Iluka Park All-Abilities Playground

"Best Tourism"
> Artspace Mackay and Mackay Regional Botanic Gardens

"Best Government Department"
> Council's Access and Equity Plan and Equitable Access Checklist

highlights

Mackay turned 150

+ A commemorative book, a time capsule burial and special heritage awards were a few of the highlights that capped off Mackay's sesquicentennial (M150) celebrations. We sold 5000 copies of *Then and Now* – our commemorative 140-page book that we produced with the aid of local individuals and organisations. This book reflects the progression and growth of Mackay. Over 50 donations, from maps and sporting memorabilia to letters, photos and artworks, were buried in our time capsule, which will reopen in 50 years' time.

Two Islands, one home exhibition image: Noah Saobe Snr (circa 1906). Originally from Epi, Vanuatu. Photographer unknown. Image supplied by Doug Mooney.

Milestone celebrations

+ Our award-winning Artspace Mackay celebrated its 10th birthday with a free fun-filled day of activities at the Arty Party (in conjunction with the Sports Expo and Sign-on Day). Co-ordinated by the Queensland Art Gallery, the day featured the statewide family program Kids Asia Pacific Triennial (APT) on Tour. Additionally, Artspace Mackay extended its opening hours to include Sunday trading. Film screenings, art, craft and design markets and family activity days have also been incorporated into the facility program, all of which are initiatives of the new 11-strong Artspace Revitalisation Working Group.

+ Over the past 10 years Artspace Mackay has hosted more than 200 exhibitions and several hundred public programs and events; it now boasts an artists' book collection of 600-plus.

+ Other important milestones include the 25th anniversary of our Mackay Entertainment and Convention Centre (MECC) and the 10th anniversary of our beautiful Mackay Regional Botanic Gardens. To celebrate, the MECC launched a Silver Jubilee Year program and the Friends of the Gardens produced a children's book titled The Bungee Jumping Caterpillars.

Commemorating our Australian South Sea Islander heritage

+ To mark 150 years since the arrival of the Australian South Sea Islanders to Queensland and to recognise the enormous contributions they've made to our community – particularly in the development of our sugar cane industry – we staged a series of events throughout our region. These included a family day, dinner dance and local artists' recording. These celebrations were made possible courtesy of $25,000 worth of State Government funding. Elizabeth Warren and Stephanie Fatnowna were honoured at our Australia Day award ceremony for promoting their culture and enriching our community.

Two islands, one home: a story of belonging

+ Two islands, one home was an exhibition of locally-owned artefacts, which commemorated the 150th anniversary of the arrival of South Sea Islanders in Queensland. Told through the eyes of local descendants of Australian South Sea Islander indentured labourers, this collection of precious photographs, documents, ceremonial items and personal objects told the story of our country's largest community of Australian South Sea Islanders.

Deputy Mayor Kevin Casey, Cr David Perkins and Mayor Deirdre Comerford attend Cyclone Saturday

Preparing for natural disasters

+ To encourage a resilient community, we staged a highly successful Cyclone Saturday event at Caneland Central Shopping Centre in November. Thousands of local residents were given vital information on how best to prepare for floods, cyclones and heavy rain during the summer months.

  We also distributed 9000 shopping bags (featuring our "Are you prepared for emergencies?" message) to primary schools throughout the region. Funded by Emergency Management Queensland, these bags were inspired by Coningsby school students and featured a complete emergency kit checklist.

To download a copy of our Emergency Action Guide, visit: www.mackay.qld.gov.au/emergency

> "The students thought it was important to develop a product that would provide valuable information to the community, in preparedness or recovery from an event."
>
> **Trudy Large - Acting Principal of Coningsby State School discusses the "Are you prepared?" emergency bag idea**

community & lifestyle

New babies welcomed

+ As part of this new tradition, Mayor Deirdre Comerford welcomed 197 bundles of joy across three ceremonies. These events also allow us to provide our region's parents with important information on council and community-health services they can access.

"Everyone I spoke to enjoyed the morning and it was great to get information on support services for families in the area, have a fun morning out and get to know other families."

Margie Daly at the Baby Welcoming Ceremony

Building a healthy community

+ Building an active, healthy community was a key priority for us this year.

Thousands took advantage of our free and low-cost health and fitness activities offered throughout the region. About 70 people joined our new Active in the City classes such as Zumba and street stand-up paddle boarding. Many took advantage of the free mums and bubs, social seniors and dog walking groups provided by the Active Towns program (an initiative of council and the Queensland Government to increase active transport).

The Healthy Rural Communities program offered a range of healthy lifestyle activities such as yoga, gentle exercise and nutritional cooking classes for residents living in rural areas (from Midge Point to Sarina). This federally funded project is dedicated to encouraging our community members to adopt healthy lifestyle practices.

Mandy Smyth, Tola Adepoju and Aletta Marshall at the Welcome to Mackay Centre morning tea

Welcome Centre open

+ Newcomers to the region now have a one-stop-shop to visit when they want to connect with others, navigate their way around and learn about what services are available to them. The Welcome Centre, located at the Old Town Hall in Sydney Street, opened its doors in November. Together, the Welcome to Mackay Advisory Committee and our Local Area Multicultural Partnership Program (LAMP) under the auspices of the Regional Social Development Centre (RSDC), have been the driving force behind the establishment of this important facility.

Off-leash dogs allowed

+ Not only can our region's residents enjoy our parks, so too can dogs! Dog owners can now exercise their dogs without a leash at Camilleri Street Park (Eimeo) and Bucasia, Town and Campwin/Sarina beaches. We received strong community support for this initiative which encourages dog owners to exercise their pets regularly and responsibly.

Staff member recognised with Mayoral Perpetual Award

+ "By assisting with Australia Day celebrations in Finch Hatton, mentoring 42 Pioneer Valley Youth Council members and providing outreach to families experiencing difficulties (often outside office hours), Youth and Community Development Officer Neil Kempe has enriched the lives of so many people. I thank you, Neil, for your hard work and dedication to our community."
Awarded by Mayor Deirdre Comerford.

Sports Expo and Sign-on Day

+ A crowd of about 7000 packed the MECC to be part of the third annual Sports Expo and Sign-on Day in February. The event attracted about 100 sporting clubs and recreational groups. Special guests – North Queensland Cowboys players Glen Hall and Gavin Cooper – were on hand to encourage one and all to get active and live a healthy lifestyle.

State basketball champions

+ Council held a Civic Reception at the MECC in September to honour our QBL Basketball Champions. Both the men's and women's sides won their State League titles. The event was attended by the Mayor and 70 local dignitaries.

economic development
"It's great that we have someone on the ground and a contact person to discuss problems and ideas with."
Donna Lamprecht from ID Dezine - Mackay City Centre Trader
Donna is pictured with Bernarr Alexander, our Mackay City Centre Co-ordinator

fast facts >

By June 2013, more than 3500 businesses had joined council's business networks.

Mackay has $6.6 billion in gross regional product and is one of Australia's largest sugar-producing regions.

We are a major resource export hub, and we're known for our agriculture, construction and tourism industries.

Council looks after:

> 3 museums

> 2 art galleries

> 1 entertainment and convention centre

> 1 welcome centre

> 2 tourist attractions - the historic Greenmount Homestead and the Sarina Sugar Shed.

snapshots >

156,651 Visitors

Mackay Entertainment and Convention Centre

+ We saw a 17 per cent drop in patronage numbers to the MECC, with 156,651 people attending 244 shows in 2012-2013. While the economic downturn had some impact, the popular Ice City spectacular (held biannually in January) boosted numbers from the previous financial year.

26,972 Visitors

Artspace Mackay

+ The economic downturn also affected patronage to our Artspace Mackay with visitor numbers dropping by 12.4 per cent (30,339 in 2011 - 2012 to 26,972 this year). The facility hosted 84 activities and 30 exhibitions and displays throughout the year.

6239 Visitors

Sugar Shed visits

+ Our Sarina Sugar Shed sold $42,911 worth of its homemade sauces and $47,633 of alcohol throughout the year. Visitors to the venue increased by 1084 (from 5755 in 2011-2012 to 6239 in 2012-2013).

economic development

awards >

> Finalist in the Queensland Tourism Awards "Tour/Transport" and "Tourism Wineries, Distilleries and Breweries" Category > The Sarina Sugar Shed

> Finalist in the 2012 Drover Awards "Performing Arts Centre of the Year" > Mackay Entertainment and Convention Centre (MECC)

"Sarina Sugar Shed, Australia's only miniature sugar mill and distillery, is an iconic tourist destination in Queensland. We congratulate them for being named a finalist in two categories for the 2012 Queensland Tourism Awards."

Daniel Gschwind
Chief Executive of Queensland Tourism Industry Council

Mayors Anne Baker, Deirdre Comerford and Jennifer Whitney with Ye Xuhua the Vice Chairman of the Standing Committee of Yantai People's Congress

highlights

Alliance an Australian first

+ A Sister Region Agreement between our Mayor, the Mayors of Isaac and Whitsunday councils and the city of Yantai in China was signed this year to formalise the close bond between the regions based on friendship and economic trade.

The first of its kind in Australia, this partnership was initiated following a trade mission from Mackay to Yantai in 2010; this interaction was followed by Yantai-based business Yanjian purchasing land to develop short-term accommodation and cultural visits by students from the city. Following this, a strong friendship developed and a range of opportunities were identified between the Mackay, Isaac and Whitsunday region and the city of Yantai.

With a population of 6.5 million, Yantai's major industries include gold mining, agriculture, manufacturing, wine and tourism.

economic development

Artist's impression of City Centre revitalisation

Minister Albanese unveils the concept

City Centre to be revitalised

+ Improvements to our City Centre are expected to return more than $110 million in economic benefit to our region, following an $18.6 million refurbishment of our City Centre.

  In June the Federal Government approved our $8.8 million Regional Development Australia (RDA) funding application and council will match this funding. We look forward to working closely with City Centre businesses and the City Centre Taskforce to rollout the refurbishment of both sides of Victoria and Wood streets and deliver high-quality pavements, interactive signage, new lighting, street furniture, trees and greenery as part of our City Centre Public Realm Improvement Project.

Communication channels opened

+ A City Centre Co-ordinator was appointed to our Economic Development program in April. This role serves as a key liaison between business owners/operators and council to facilitate marketing and public relations opportunities that will promote and enhance our City Centre.

> "Our City Centre revitalisation project is expected to return more than $110 million in economic benefit to our region."
>
> **Mayor Deirdre Comerford**

Mackay City Centre website

+ Council's City Centre website – www.mackaycitycentre.com.au is proving popular with visitor numbers up by 116 per cent (75,843 to 163,993 visits in 2012-2013).

  The website contains a free online business directory, the City Centre Business Network, and plenty of free events and programs including Active in the City and online city deals to boost activity in the City Centre.

Parking trial

+ To improve car parking turnover in our City Centre, we trialled the introduction of one-hour time limits and a 40 per cent discount on pre-paid permits for off-street parking to encourage shoppers back to the city and boost trade.

  A total of 317 two-hour parking spots in five city streets were also reduced to one-hour parking.

economic development

Cr Greg Martin and Sarina locals show off the new pocket-sized Sarina Business Directory

Sarina Directory launched

+ As part of council's Focus on Sarina program to increase activity in the area, 150 businesses took up the opportunity to have their name printed in council's easy-to-read directory. Featuring a map of the Sarina Town Centre, the free pocket-sized directory also offers information on health, wellbeing, retail and food. Launched in April, the Sarina Business Directory is available at participating businesses and at our council customer service centres.

Business network subscribers

+ Council's business networks - City Centre Business Network, Sarina Focus Business Network and Regional Focus Business Network allow businesses to tap into free, and low cost (usually government supported) business events, training and programs to help improve their business.

  Our City Centre Business Network grew by 59 subscribers to total 778. The Sarina Focus Business Network grew by 63 and is now 257, the Regional Focus Business Network is 228 (increased by 79) and the City Deals Club proved most successful, increasing by 624 subscribers to total 2318.

Broadband rolled out

+ Prior to the rollout of our region's National Broadband Network (NBN) we staged a Broadband Seminar and Digital Economy Workshop in October to bring together local businesses, members of the Mackay IT Network, council officers and NBNCo's Community Account Manager Ryan Williams to get the latest update on Mackay's broadband rollout. So far the first construction phase of the NBN (in the Mackay City Centre) has been completed.

"The Whitsunday and Isaac regions are our neighbours and by joining together we are a strong force to contend with when it comes to seeking funding for important projects in our region."

Cr Greg Martin
Tourism and Economic Development portfolio

Food tourism advice offered

+ In October, food tourism expert Rose Wright led a Paddock to Plate seminar to offer information and advice to about 20 local food producers and suppliers on how to identify supply chain opportunities for their businesses. Other topics discussed included enhancing the visitor experience and value-adding to your enterprise.

  This initiative was a partnership between council, the Department of State Development and Infrastructure Planning and Mackay Tourism.

Tourism investment a top priority

+ Maintaining and strengthening our partnership with Mackay Whitsunday Regional Economic Development Corporation (MWREDC) is a high priority for our council. As a result we resolved to continue a three-year funding agreement of $247,000 a year.

  MWREDC is a non-profit organisation dedicated to creating economic growth through stakeholder engagement, regional promotion and regional projects. Council's investment to the group has delivered a range of benefits to residents and local businesses including the successful Coal to Coast website and the Mackay Hotel Accommodation Strategy that encourages developers to build hotels in our region.

+ We also cemented a new three-year agreement with Mackay Tourism. This year we increased our contribution to $251,818 and future amounts will be considered as part of subsequent budget deliberations.

+ In addition to this, our council spends over $10 million annually operating and maintaining 12 lifestyle and tourist facilities for our community.

environmental sustainability
Blacks Beach Spit is a landmark purchase and really highlights council's willingness to make decisions that look to protect our natural environment.
Margaret Lane - Natural Environment Advisory Committee member

fast facts >

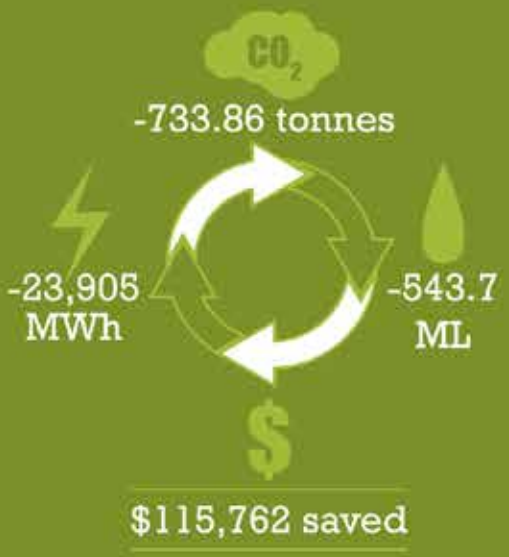
Our 135 Parks and Environment Officers:

- > maintained 560 hectares of parks
- > maintained 1340 hectares of reserves
- > 1 botanic garden - Mackay Regional Botanic Gardens
- > 1 orchid house - The Ken Burgess Display House
- > 3 camping reserves - Seaforth, St Helen's and Ball Bay
- > cleaned 144 toilets daily
- > cleaned 60 barbecues daily
- > pruned 5675 trees - 553 more than last year
- > spent 11,161 hours mowing
- > dedicated 995 hours to cleaning up litter around our region.

snapshots >

Council's green initiatives*

+ The installation of dual-flush toilets, tap timers, an energy-efficient air-conditioning system, energy-efficient light bulbs and rainwater harvesting tanks has resulted in significant environmental and financial savings for council. In 2012-2013, we saw a decrease of 2 per cent in our electricity and water usage. Our CO_2 emissions were reduced by 733.86 tonnes and there was a financial saving of over $115,000.



*Data from Planet Footprint 2012-13

environmental sustainability

Power saving LED traffic lights

awards >

> Runner-up in the 2013 Premier's Sustainability Awards
"Minister's award for leadership in sustainability"
> Council's Sustainability Futures Advisory Committee

"By installing eco-friendly products, reducing our fleet to four-cylinders and recycling where possible we are saving thousands of dollars off council's operating costs each year."

Cr Theresa Morgan
Parks and Environment portfolio

Before and after shots of Blacks Beach Spit

highlights

Land protection prioritised

+ In an effort to preserve 27 hectares of significant natural habitat for future generations to enjoy, we formally took control of Blacks Beach Spit in August 2012, courtesy of the Natural Environment Levy Strategic Land Acquisition Fund. The Blacks Beach area, including the Spit, boasts the highest flat-back marine turtle nesting numbers in Mackay and also provides roosting habitats for shorebirds.

The acquisition of this land allows us to better monitor issues such as illegal dumping, weed control, vehicle access and revegetation in the area. We also installed 1.2 kilometre of fencing around the spit and spent $50,000 removing truckloads of illegally dumped waste – ranging from car bodies to whitegoods – from the area.

environmental sustainability

Shamrock Civil employees carpooling to work

All encouraged to share a ride

+ More than a dozen Paget businesses and staff registered to take part in council's Paget Carpool Week in May. The campaign aimed to reduce traffic congestion and greenhouse gas emissions and enhance road safety within the Paget Industrial Precinct.

"Over the past 10 months, I've saved about $800 on fuel. By taking it in turns to drive to work every day, Amanda and I have pocketed an estimated $20 each a week."

Rebecca Nemitz
SGS Paget employee

Light Fleet Replacement

+ Our new green fleet vehicle – a Toyota Prius V hybrid – is our third consecutive hybrid vehicle purchase. The Prius is a further commitment to council's Light Fleet Replacement Strategy for mandating four-cylinder vehicles, which ensures reduced emissions and less whole-of-life costs (due to increased trade income, lower fuel consumption and capital costs).

Environmental education a focus

+ More than 2000 children learnt about the value of plants and ecosystems by taking part in our Mackay Regional Botanic Gardens' Plant-Ed school program. Additionally throughout the year, 500 children and their parents took advantage of our school holiday programs and Small Explorers sessions at the Gardens, to learn about nature, enjoy artistic activities and find out how to preserve threatened local species.

Seven News Weatherman Livio Regano makes a special appearance at our ecoMackay Expo

ecoExpo drew 1000-strong crowd

+ The inaugural ecoMackay Expo in August was a huge hit. With more than $3000 worth of prizes up for grabs, interactive displays and tips on how to help save the environment. The one-day event promoted the message of sustainable living and how we can all make simple changes at home to save money and reduce our carbon footprint. Seven Local News weather Presenter Livio Regano made a special appearance.

Residents pledged their support

+ Council's free online community footprint portal (myfootprint) helps residents measure their energy usage and provides tips and advice on how to live more sustainably. The achievements of residents and businesses are tallied and celebrated on ecomackay.com.au to show how much CO_2, land and water we, as a community, are saving.

  Thus far, residents have saved about 440,000kg of CO_2, 7.5 million litres of water and $115,000.

Builders protect our waterways

+ We strengthened our partnership with local builders and raised awareness of our three-phase Erosion and Sediment Control Compliance Program (ESCCP). Many builders erected sediment fences and stabilised entry/exit points on their properties to prevent sediment (soil, dirt and clay) entering our waterways. For your copy of council's Best Practice Guidelines for Controlling Stormwater Pollution from Building Sites go to www.mackay.qld.gov.au.

All encouraged to share a ride

+ More than a dozen Paget businesses and staff registered to take part in council's Paget Carpool Week in May. The campaign aimed to reduce traffic congestion and greenhouse gas emissions and enhance road safety within the Paget Industrial Precinct.

environmental sustainability

"Gardens Team leader Ross Demuth, gained council's staff innovation award for his involvement in creating council's Myrtle Rust procedure. The procedure allowed staff to easily identify the disease and take action and was used by our Parks and Environment program."

Dale Arvidsson - Curator for Mackay Regional Botanic Gardens

Triple R Week

+ As part of our commitment to the continual improvement of sustainability within our organisation, many staff cleaned out their offices over Triple R (Reduce, Reuse, Recycle) Week, held in conjunction with National Recycling Week.
The end result: an astounding 66 wheelie bins of paper were collected for recycling.

Protecting our plants

+ Myrtle Rust a serious fungal disease that affects the plant family Myrtaceae - was found on a Mackay property and the Mackay Regional Botanic Gardens in 2012. Botanic gardens staff were quick to act, producing a best-practice procedure in collaboration with Biosecurity Queensland to successfully slow the spread of the disease.

Graffiti clean up

+ Parks and Environment staff have been supported in their efforts to quickly clean up graffiti in our region thanks to $70,000 in assistance from the Queensland Government's GraffitiSTOP program. Residents were encouraged to report incidents of graffiti to the GraffitiSTOP hotline 1300 Graffiti (1300 472 334) and these details were then passed onto council for immediate action.

Pest Management Officer Michael Tuckett briefs landowners following a feral pig shoot in Sarina

Feral pig numbers reduced

+ For the second year in a row, our Pest Management team, together with Reef Catchments and Landcare Sarina, worked to cull the number of feral pigs in southern parts of our region. A total of 284 feral pigs were destroyed across 25 properties with the aid of a helicopter and a highly-experienced shooter. This program was funded by the Federal Government's Caring for our Country program.

Top three Pest Management complaints/inspections

Complaint	Inspections
Dingo/wild dog/fox	328
Feral pig	119
Giant rats tail grass (GRT)	122

Top three Local Laws inspections

Complaint	Inspections
Stray dogs	1123
Livestock/poultry/birds	547
Aggressive dogs	454

Top three Health and Regulatory inspections

Complaint	Inspections
Food inspections	458
Nuisances	227
Noise	129

strategic planning
We're keen to work with residents, developers and industry specialists to make sure that our new planning scheme caters for urban and industry growth and protects our good-quality agricultural land and natural environments.
Mayor Deirdre Comerford

fast facts >

In 2012-2013 council:

- **> met with developers each month to discuss upcoming projects**
- **> approved 897 new lots**
- **> created 2315 new lots (survey plan)**
- **> documented 1701 new dwellings**
- **> received 612 development applications through Smart eDA - the online electronic lodgement system**
- **> received 207 hard copy development applications**
- **> handled 1888 Duty Planner enquiries (an increase of 33% from the previous financial year)**
- **> valued Mackay's building applications at $765.7 million.**

snapshots >

Development Applications

+ Council accepts Development Applications (for operational works, material change of use, reconfiguration of lots and combined applications) over the counter at council's Development Services building at 42 Wellington Street, Mackay and through Smart eDA an electronic lodgement system where you can prepare, lodge and track development applications online at www.mackay.qld.gov.au/planning.

Applications received

Service	Number
Development Engineering	1550
Development Assessment	872
Health and Regulatory Services	13
Water and Waste	1970
Total	**4405**

strategic planning

One of council's 23 information sessions to discuss the draft planning scheme

highlights

Our planning system under review

+ To make sure we have the best planning system in place (timeframes, approval processes and fee structure) we're meeting with local developers each month to hear their thoughts and we're assessing our system under the State Government's Local Government Planning System Health Check Pilot Program to make sure all our processes are efficient and streamlined.

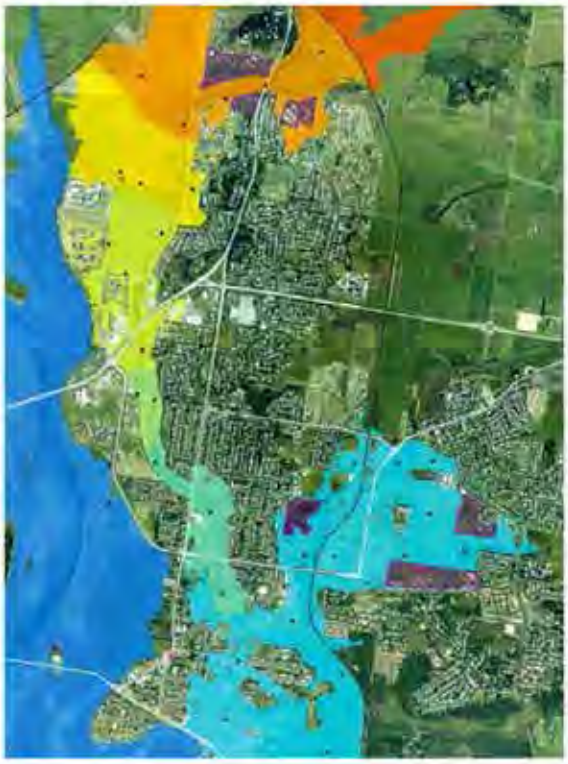
Planning for our future

+ It was one of the most comprehensive engagement programs conducted by council. Over 12 weeks (from May to August) we engaged with a diverse range of stakeholders on the draft Mackay Region Planning Scheme – a 20 year planning framework to manage land use and development in our region.

The draft scheme was launched at the Urban Development Institute of Australia Annual General Meeting and 23 community and development industry information sessions followed to obtain feedback and gauge community opinion.

A total of 658 people took part in our information sessions; 13,564 people viewed our draft planning scheme webpage and we received 360 properly made submissions.

We are now undertaking a thorough and comprehensive review of all properly made submissions. Once the necessary changes have been made it will be submitted to the Minister for State Development, Infrastructure and Planning for final approval.



"Residents can feel safe knowing that council has used every available resource to help protect our region from the impacts of flooding."

Cr David Perkins
Planning and Development portfolio

Houses protected against flooding

+ Results from a series of flood studies will guide future development decisions and protect houses along the Pioneer River and Gooseponds catchments. In order to consider the impacts of storm tide events from the sea, historical river flood events and the impact of climate change to the year 2100, we adopted three flood study reports – the Pioneer River Flood Study, the Gooseponds/Vines Creek Flood Study and Gooseponds Creek (including Pioneer River) Flood Study.

Identifying our sporting needs

+ One of our priorities is to have a healthy, active community through the provision of appropriate sport and recreation facilities. We spent four months with an independent consultant undertaking extensive research and community engagement (including drop-in sessions, on-site meetings and surveys) to identify the sporting needs of our Pioneer Valley for the next 10-20 years. Among the 22 recommendations were securing new land for a district sporting precinct at Marian, acquiring additional land to enable the development of rectangular sports fields in Walkerston and investigating a master plan for Eungella sports grounds. These form part of the draft Mackay Region Planning Scheme.

Development Applications

+ We approved a number of large-scale Development Applications during the year, including:
  > 55 multiple-dwelling units (comprising dual key units and/or single key units up to a maximum of 107 tenancy units) plus a caretaker's residence and ancillary facilities at 6 Jewell Street, Mackay
  > hospital (aged care facility, including ancillary retail and medical uses and supported care villas) at L3 Kemsdale Crescent, Beaconsfield
  > Material Change of Use - Andergrove Lakes Eastern Precinct – Tourist Facility (38 bed cable ski lodge, café and ancillary operating facilities, manager's residence and 48 tourist accommodation units), at 70-90 Beaconsfield Road, Andergrove
  > hotel (comprising of two licensed areas over two stages) at 9 Gregory Street, Mackay and 105 Victoria Street, Mackay
  > service station (unmanned commercial road transport refuelling centre) at 1-5 Interlink Court, Paget.

engineering services
Mackay
"I'm proud my boys have followed in my footsteps; we may not all work directly together, but we're all working towards the same goal – building a better community for our region."
Lawrence Borg (Civil Operations) pictured with his sons
Jason (Water Network) and Brendan (Civil Operations)

fast facts >

Our 212 roads and maintenance workers:

- **> maintained 2476km of roads - 1534km sealed and 942km unsealed**
- **> serviced 666km of State Government roads (pothole repairs, grading works)**
- **> carried out routine maintenance on 174km of the Bruce Highway**
- **> cleaned and maintained 226km of footpaths and 24km of bikeways**
- **> carried out general maintenance on 34 off-street car parks**
- **> maintained 140 bridges (47 timber, 93 concrete)**
- **> cleaned and maintained 26 boat ramps (11 Mackay Regional Council and 15 Transport and Main Roads owned).**

snapshots >

Major Capital Works

+ Major Capital Works for the year involved trunk roads, pavement improvements and general road works.

Program	Actuals spent
Trunk roads	$38.1 million
Pavement improvements	$10.7 million
General works	$5.8 million
Trunk drainage	$3.5 million
Shoulder treatment initiatives	$2.5 million
Car parking	$1.9 million
Bridge replacement	$1.6 million
Footpaths and bikeways	$949,000
Boat ramps	$936,000
LATM – Traffic and road safety	$731,000
Bus shelters	$323,000
Traffic signals	$13,000
Total	**$67 million**

engineering services

Mackay's flood damaged roads

awards >

Winner of the 2012 Institute of Public Works Engineers Australia (IPWEA) Queensland Division "Young Engineer of the Year" award - Nathan Cunneen - council's Special Project Engineer

"Nathan was crowned our 2012 Young Engineer of Year because he played a major role in delivering $30 million in natural disaster road and drainage restoration works. The successful partnership between council and the Department of Transport and Main Roads is now being used as a case study by the Queensland Reconstruction Authority."

Suzanna Barnes-Gillard - CEO, IPWEA Queensland

highlights >

Rebuilding our roads

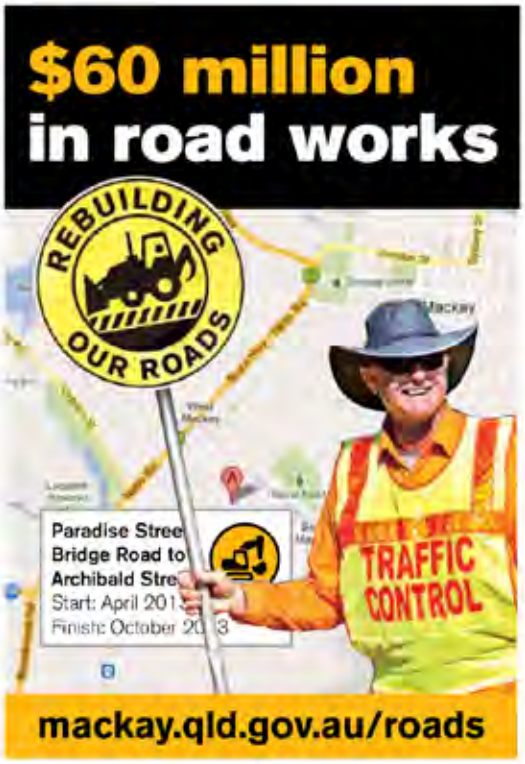
+ We dedicated $62 million of our Capital Works program to improving our road network; this included shoulder treatment works, pavement improvements and traffic and road-safety initiatives. We specifically focused on improving the network between our City Centre and Paget Industrial Precinct to support the transportation needs of businesses in these areas.

Connors Road

+ One of our largest road rejuvenation projects – Connors Road (between Archibald Street and Boundary Road in our Paget Industrial Area) – began being revamped to the tune of $27 million this year. With 14,000 motorists using this road on weekdays, this project focused on improving traffic flow and access for both motorists and the 500-plus businesses in the area. Project highlights include the construction of additional lanes in each direction (between Archibald Street and Boundary Road), rehabilitation of pavements, installation of traffic signals and improved stormwater drainage.

Paradise Street

+ Improved residential access, a two-lane roundabout and revitalised landscaping were key components of our $5 million Paradise Street restoration. Significant work at the Paradise/Henman streets intersection was part of our long-term goal to improve traffic flow in the area. New pedestrian links and cycle lanes were also delivered along the street as part of this ongoing project.



"Melissa Rogers, Shane Green and Tracey Davis identified that the existing council website featuring information on our roads was difficult to use. They developed an interactive mapping system that provides a visual display of our region's road network and up-to-date information on projects underway. It's a fantastic, visual tool that's been well received by our community."

Rob Perna - Civil Projects Manager explains why he nominated the winners of council's 2012 Staff Innovation Award

Mangrove Road

+ Improving traffic safety was the focus of Mangrove Road's $2 million facelift (between Victoria and River streets), courtesy of council's Rebuilding our Roads campaign and the Queensland Flood Recovery Program. As part of the project, all four lanes of Mangrove Road were rehabilitated.

Flood and cyclone damage works

+ We secured $70 million in Natural Disaster Relief and Recovery Arrangements (NDRRA) funding to carry out flood and cyclone damage works. We spent $45 million on road stabilisation, gravel road repairs and bitumen sealing. The remainder will be spent next financial year.

Online maps a key communication tool

+ Helping motorists, residents and business owners stay up-to-date on regional road works is a top priority for our council. In fact this commitment was the driving force behind the creation of a new interactive, online mapping system on our website. The regularly updated map system (at www.mackay.qld.gov.au/roads) allows drivers to plan their journey ahead of time by making informed decisions on alternate routes available. The maps feature a wide range of information ranging from major projects and short-term works to drainage and general works such as footpaths, car parks, road reseals and also identifies flood-prone roads.

Haliday Bay swimming enclosure

Swim enclosure replaced

+ Thanks to funding from the Natural Disaster Relief and Recovery Arrangement (NDRRA) program, we successfully sourced $434,000 to replace the damaged Haliday Bay swimming enclosure.

Destroyed by Cyclone Ului in 2010, our crews restored the enclosure in September using recycled plastic sea-piles with a reinforced core of fibreglass.

Constant Creek facilities upgraded

+ We continued to meet the needs of our growing fishing community, with $675,000 spent on new onshore facilities and parking bays at Constant Creek. This was complemented by Queensland Transport and Main Roads constructing a new boat ramp at this popular site.

"Our residents are excited to now be able to cool down safely, knowing this swimming enclosure will protect them from stingers and jellyfish; it's an incredible asset for our area and one that's proven immensely popular."

Len Turvey
former President of the Seaforth Progress Association

engineering services

Skate park funding secured

+ We proudly secured a $100,000 grant from the State Government's Get in the Game initiative to build a skate park in Sarina. Work on the project started in the financial year and has gained tremendous support from local community groups and businesses.

"I can't wait to try it out; there'll be five different sections to skate and ride along!"

Nelson Millwood
11 year old Sarina resident

Amphitheatre ready for first show

+ Our beautiful $1.1 million three-tier outdoor Meadowlands Amphitheatre was completed and ready to host its first show in July 2013. Located at our picturesque Mackay Regional Botanic Gardens, this impressive facility features 190 car parks, toilet facilities and an all-access pathway. The amphitheatre is part of the gardens' 10-year Master Plan. Mackay Host Lions provided input on the amphitheatre design and planted the first 50 trees in the precinct.

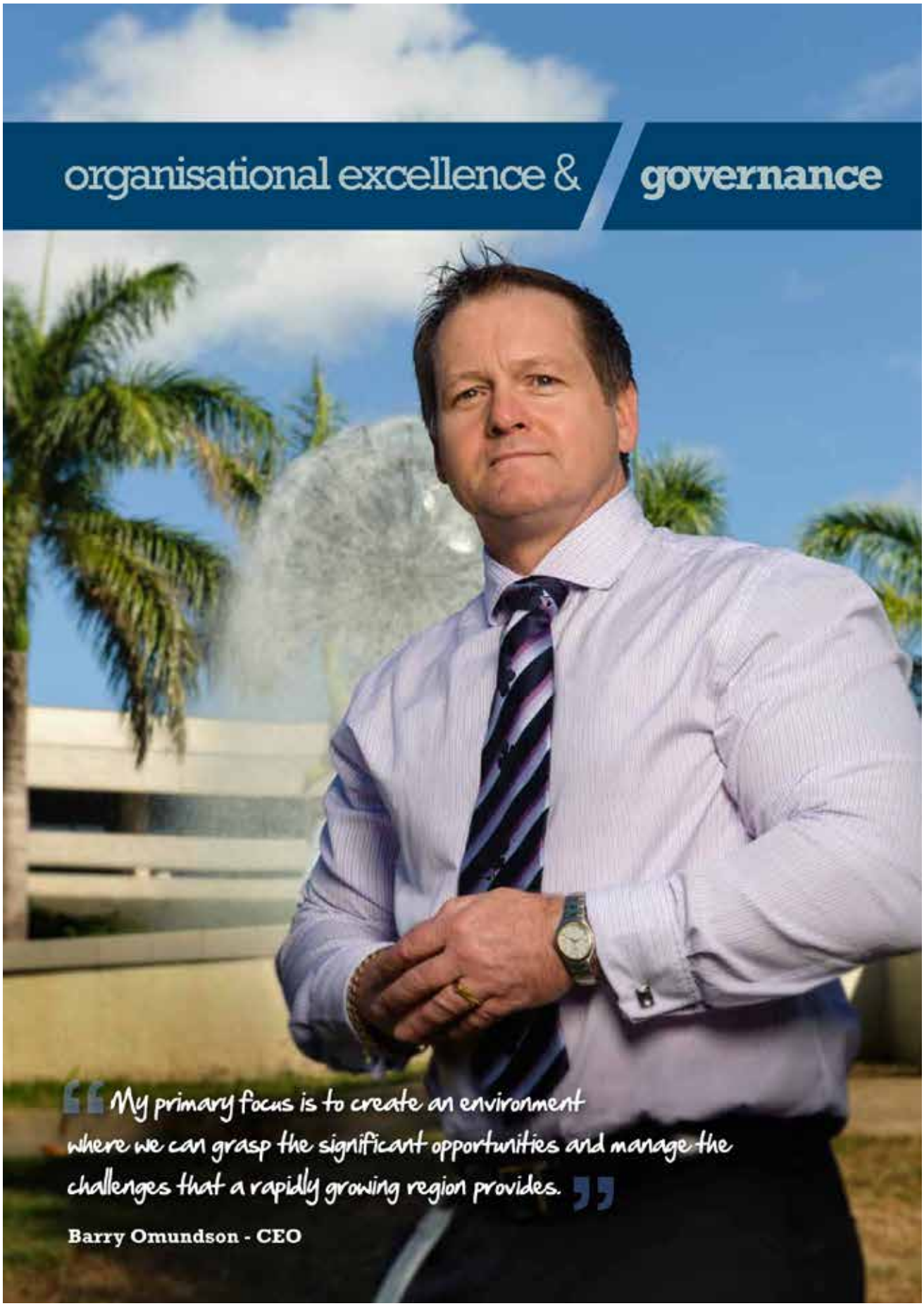
The secure bike cage at Memorial Swim Centre

More walking and cycling paths

+ We were proud to be one of three councils selected by the Queensland Government to participate in its Active Towns Pilot program – a $10 million program over three years dedicated to delivering new walking and cycling infrastructure to increase active transport. Projects completed included a shared pathway from the River Street boat ramp to Burns Street, 16 new lights at Caneland Park as well as a secure bike cage, 24 secure parking spaces, lockers and free on-site showers at Memorial Swim Centre.

"The only time I can exercise is after 5pm, the lights at Caneland Park allow me to still get out, get my heart rate up and keep fit."

Bree Black
Mackay resident


organisational excellence & governance
My primary focus is to create an environment where we can grasp the significant opportunities and manage the challenges that a rapidly growing region provides.
Barry Omundson - CEO

fast facts >

In 2012-2013:

- **we used council's website, Facebook and eNewsletters to communicate**
- **we had 596,155 visits to council's website www.mackay.qld.gov.au - a 17% increase**
- **our Facebook fan base grew by 63% (from 2466 to 4043 fans)**
- **we increased our eNewsletter subscribers by 51% (from 6283 to 9540 subscribers)**
- **104,855 customer enquiries were handled through 1300 MACKAY**
- **13,135 service requests were lodged**
- **we recorded 150 less days lost to injury this year (from 687 in 2011 - 2012 down to 537).**

snapshots >

Our websites

+ In comparison to last year, visits to our websites have increased by 29 per cent. We averaged around 80,000 visits per month to council's seven websites.

Websites	2011-12	2012-13
Mackay Regional Council	508,486	596,155
MECC	135,009	170,268
Artspace Mackay	12,341	17,253
Botanic gardens	13,000	15,554
Sarina Sugar Shed	5279	6119
ecoMackay	3447	3797
Mackay City Centre	75,843	163,993

Call centre enquiries

+ With more enquiries and transactions being made online via council's website and email, the number of calls taken by our Customer Service Officers decreased by 7.4 per cent – from 112,615 in 2011-2012 to 104,855 this year.

Top 5 call centre enquiries:

Local Laws ~ Wheelie bins ~ Rates ~ Civil Operations ~ Water Services

Melissa Rogers and Kerry McNeill with the National Communications Award

"Council's Pound Pet program was named Australia's top communication-marketing campaign and picked up the best advocacy award because the program involved local community groups, animal welfare groups and local media, to help save hundreds of animals."

Kath Oakley
Knox City Council Corporate Communications Manager

awards >

> **Winner of the 2012 Government Communications Australia awards:**
"National Communications"
> Pound Pet campaign

"Best Advocacy-Community Partnership"
> Pound Pet campaign

> **Winner of the 2012 Queensland Multi-Media Awards (QMMA)**
"Best Multi-Media Corporate Branding and Promotion" award
> Council Connect

Pet registration

+ A total of 14,462 dogs were registered this year (1.4 per cent more than last year) with cat registrations up 9.7 per cent. A total of 735 dogs were impounded with 288 re-homed and 306 returned to their owners – achieving an 80 per cent success rate, up from 77 per cent in 2011 - 2012.

Council Connect

+ Our multi-faceted communication strategy Council Connect allows you to keep up to date on council news anytime and anywhere – both online via TV and in the local newspaper. This multi-faceted initiative saves us about $16,000 in postage and printing costs annually.

strategic planning framework >

Governance

+ Good governance is about being accountable, participatory, transparent, effective and efficient and following the rule of law. Our Corporate Governance framework provides the foundation for effective decision making, sound management and accountability across our organisation.

Community participation

+ The dialogue between council and the community is open, transparent and ongoing. Our community members had the opportunity to express their views at regular meetings and engagement opportunities, surveys and polls, with councillors and at our council meetings (held at 10am on the first four Wednesdays of each month).

organisational excellence & governance

highlights >

New direction

+ Strengthening internal relationships, driving efficiencies, providing accountability and improving service delivery – these are the goals of our new Chief Executive Officer Barry Omundson.

Mr Omundson's extensive knowledge of Local Government, planning and development, engineering and our water business made him the ideal candidate to build an organisational culture of support and accountability. The CEO will carry out an extensive review of our organisation to ensure we are operating efficiently and effectively and delivering an optimal level of service to our community.

Reviews and analysis

+ We reviewed our Corporate Governance Framework to maintain a high standard of effective decision making, sound management and accountability.

We implemented a corporate asset management strategy which focuses on a service-centric approach, rather than an asset or financial one to link agreed service levels with funding needs.

We completed an insurance gap analysis on all our services to compare our current risk controls with required insurance coverage with the aim of limiting exposure to both potential workplace health and safety issues and increasing insurance premiums.

"A mechanical fitter and turner by trade, Paul Kelly (Leading Hand Fitter) designed a training package for slasher operators to help reduce the risk of potential machinery failure. Paul's willingness to carry out these duties speaks volumes about his dedication to workplace health and safety."

Peter Shuttlewood - Procurement and Plant Manager, on why he nominated Paul Kelly for the 2012 Staff Safety Award

Safety first

+ We recorded 150 less days lost to injury this year – from 687 in 2011-2012 to 537 in 2012-2013. This pleasing result can be attributed to Safe Plan (our Workplace Health and Safety system) which requires everyone to complete monthly safety actions.

Lodged support requests

+ With more internal services now available online, our service requests increased by 4000 – from 9135 in 2011-2012 to 13,135 this year. Additionally, Pathway (our key corporate system for managing property and rates) was upgraded in November to improve business support, meet legislative requirements and secure processes across our organisation.

Right to information

+ This year we received 20 Right to Information applications. A total of 4923 pages were considered and 3288 pages were released in full. Unfortunately, 1635 pages contained information which was determined to be contrary to public interest, thus (in accordance with the provisions of the Right to Information Act), 660 were released in part and 975 pages were refused.

  Requests for information under the Right to Information Act 2009 (RTI) must be made on the required form available on our website or by calling 1300 MACKAY (622 529).

Official documents

+ Our code of conduct, delegation register (which records the delegated levels of authority and instruments of authority held by all council officers), equal employment opportunity plan and Community Engagement and Guidelines Policy is available on our website at www.mackay.qld.gov.au.

organisational excellence & **governance**

Mayor Comerford with the Bhargavi Family at a baby welcoming ceremony

Working with our community

+ Residents and businesses have more opportunities to have their say on council initiatives with our revised Community Engagement Policy and Guidelines. These documents detail ways in which we, as a council, should inform, consult and involve residents in community consultation processes, allowing us to work together to effectively achieve our vision of a prosperous, sustainable and vibrant region.

Additions to our Community Engagement Policy include the provision of a proposed engagement strategy to be included in reports presented to council. The establishment of a Community Engagement Working Group and online register also allowed our community access to view and provide feedback on any current consultations underway.

Council's Community Engagement Guidelines and Policy is available on our website at www.mackay.qld.gov.au/policies.

"Through community engagement, we can tap into a much wider source of information, perspectives and potential solutions on a wide variety of issues."

Mayor Deirdre Comerford

Mackay Entertainment and Convention Centre

Code of Competitive Conduct for business activities

+ In accordance with sections 45 and 47 of the Local Government Act 2009, we resolved not to apply the Code of Competitive Conduct (the Code) to our Mackay Entertainment and Convention Centre (Type 3 business activity).

Ultimately, we decided the costs of applying the Code would outweigh the benefits, and the activity has significant non-commercial objectives. We do not conduct any other business activities or prescribed activities.

Significant business activities

+ Below is a list of all business activities that we as a council have conducted during the financial year. The Local Government Regulation 2012 defines two types of significant business activities.

Type 1 significant businesses are business activities that have expenditure of at least $42.64 million for combined water and sewerage services and $25.54 million for other business activities.

Type 2 significant businesses are business activities that have expenditure of at least $12.77 million for combined water and sewerage services and $8.55 million for other business activities.

Our council has two significant business activities – Mackay Water and Mackay Waste. In accordance with legislation, we have resolved that these business activities be conducted as Type 2 business units.

Mackay Waste Services
2012 - 2013
annual performance report

fast facts >

Mackay Waste Services:

- > worked with 300 volunteers to collect 5 tonnes of rubbish around the region during the Great Northern Clean Up in September 2012
- > processed 5454 tonnes of recyclables in 2012-2013
- > conducted 5800 recycling bin audits
- > commenced gas flaring at Hogans Pocket Landfill
- > has 1 major waste transfer station and 9 rural transfer stations
- > 2 recycling facilities - Materials Recovery Facility and Resource Recovery Facility
- > 2 green waste facilities - Walkerston and Bucasia.

snapshots >

Recyclables	2011-12	2012-13
Glass	895.94	394.48
Paper/cardboard	3334.62	4459.95
HDPE	245.60	101.65
PET	214.22	94.92
Aluminum	298.81	140.92
Steel	494.54	142.81
Mixed plastics	269	119.66
Total tonnes	**5752.73**	**5454.39**

kerbside rubbish collected

35,004 tonnes 2012-2013

= 9% increase

Hogans Pocket Landfill

115,756 tonnes 2012-2013

= 10% increase

fortnightly recycling bins collected

47,235 bins 2012-2013

= 3% increase

weekly rubbish bins collected

48,104 bins 2012-2013

= 2% increase

Mackay Waste Services

overview >

Vision

+ Mackay Waste Services will be an innovative service provider recognised for its commercial performance, providing regional leadership, has the respect of its customers and industry regulators and prides itself on its sustainability.

Mission

+ Mackay Waste Services is committed to delivering sustainable waste services to the Mackay region in an efficient and commercially sustainable manner. Mackay Waste Services is a Type 2 commercial business unit of our council, providing waste management services to the Mackay community including waste collection, waste disposal and resource recovery.

2012-2013 financial year

+ Waste Services had nine staff and a combined annual operating and capital budget of over $31 million. Its operations were carried out according to our Annual Performance Plan that defines expectations in terms of performance, reporting, level of service and policy compliance.

Waste Services undertook the following work:
> contract management
> strategic procurement
> project management
> site management
> preventative and reactive management.

Waste collection

+ Population growth, construction activity in the region and new dwellings meant council had to collect 970 more bins each week, compared to 2011-2012. More than 1600 recycling bins were also added to our fortnightly service. We collected about 3000 more tonnes of kerbside waste and saw a rise of 10 per cent more waste received at Hogans Pocket Landfill.

A decline in rainfall and no natural disasters resulted in 6822 tonnes (31.5 per cent less than last year) of green waste received.

Hogans Pocket Landfill Gas Capture System

highlights >

Waste strategy review

+ Under the Waste Reduction and Recycling Act 2011, we are required to provide to the Queensland Government a waste reduction and recycling plan. To meet this requirement we reviewed our Regional Waste Strategy and took part in workshops during the year to develop a draft document. This document is expected to be issued for community engagement next financial year.

Hogans Pocket Landfill Gas Capture System

+ We accelerated our planned landfill gas capture and flaring system for Hogans Pocket to meet legislative requirements and reduce our carbon footprint. This $500,000 project (completed in April) burns off methane, a major contributor to the greenhouse gas effect. Over the next year we will monitor the site and investigate the possibility of on-site electricity generation.

Clean Energy Act 2011 preparation

+ During the year we continued to prepare for the Australian Government's Clean Energy Act 2011. The Act introduced a threshold for carbon emissions for nominated facilities, with Hogans Pocket Landfill identified as a likely facility. Work was done on modelling council's likely carbon price liability over the lifetime of the facility and the acceleration of existing carbon mitigation measures including the bringing forward of the installation of a gas capture and flaring system at Hogans Pocket Landfill to 2012-2013. The modelling fed into our council budget deliberations on the setting of revenue policy.

Mackay Waste Services

Artists' impression of the new Sarina Waste Facility

New waste facility for Sarina

+ To meet the needs of our growing community, we began work on a new $2.4 million transfer station at Sarina. This state-of-the-art facility will feature purpose-built structures for the disposal and collection of green waste, individual containers for steel, whitegoods and recycling. The separation of waste into categories will allow us to better manage our waste. The project is expected to be completed in September 2013.

Remediation at Bayersville

+ The Bayersville Landfill (on Harbour Road, North Mackay) was successfully remediated in September. The remediation aims to limit the infiltration of stormwater into the waste mass and provide drainage and environmental controls to reduce the impact on the receiving environment.

The $6.4 million project included:

> disconnection of existing services traversing the site
> demolition of site structures
> installation of erosion and sediment control fencing around the perimeter
> site clearing
> reshaping the existing landfill surface to a uniform profiler
> installation of a perimeter leachate drain and collection sumps
> provision of a composite geosynthetic clay cap over the entire landfill surface
> provision of surface drainage and sedimentation ponds
> establishment of grass vegetation over the finished site.

Bayersville is the former Mackay City Council major waste facility which stopped accepting waste in 2006. About 2,400,000 cubic metres of municipal solid waste was disposed of at the site during the facility's operating life. The remediation of the site was in accordance with Department of Environment and Heritage Protection licence requirements.

Councillors Casey, Morgan, Comerford and Walker help out at the Great Northern Clean Up

Great Northern Clean Up

+ With the help of more than 300 volunteers we collected five tonnes of rubbish during the Great Northern Clean Up in September 2012. Our participation rate has grown considerably since we transitioned from Clean Up Australia Day (March) to the Great Northern Clean Up event in 2011.

Regional and state input

+ Our council staff gained valuable information on current and future waste management actions and industry stakeholder connections following the Queensland WasteO conference and the Local Authority Waste Management Advisory Committee meeting held in Mackay. This was the first time the Queensland WasteO conference was held outside of South East Queensland.

Dress before you dump

+ Always wear enclosed shoes, long pants, protective classes and gloves at our waste facilities – that was the message we promoted on radio, television, in Council Connect and on site signs to improve safety at our facilities. Residents were also encouraged to keep children and pets in their vehicle at all times and bring a friend to share the load.

The audit found 11.8 per cent of bins had minor contamination and 5.6 per cent were found with major contamination. Council is reviewing its Recycle Right marketing.

Mackay Waste Services

Incredable Ltd - our Resource Recovery Operator

Resource recovery operations

+ Incredable Ltd, a not-for-profit organisation that employs people with disabilities, took over as our resource recovery operator, providing drop-off and tip-shop services at Paget Waste Transfer Station. Incredable accepts recyclables and reusable items, prepares them for resale at low cost and helps reduce the amount of waste going to landfill. The drop-off is open seven days a week from 7am to 5pm and the shop is open Thursday to Sunday from 9am to 4pm.

> "Thanks to council's campaign we see less rubbish around our clothing bins and we can utilise our resources on counselling instead of cleaning up the mess."
>
> **Lyn Lewis - Mackay Lifeline**

Don't Dump on Charity campaign

+ Increasing amounts of waste being strewn around clothing bins prompted us to form a working group with local not-for-profit charities to tackle this issue. From the group came the Don't Dump on Charity campaign – a six-month education and media program. The program featured radio and print advertising and permanent signs at five hot spots. Since the launch of this program, we've recorded a significant reduction in the amount of waste being generated at these locations and a number of groups, including Sustainability Victoria, are reviewing our program.

Cr Laurence Bonaventura and local school kids inspect the new mobile waste education trailer

Waste education trailer

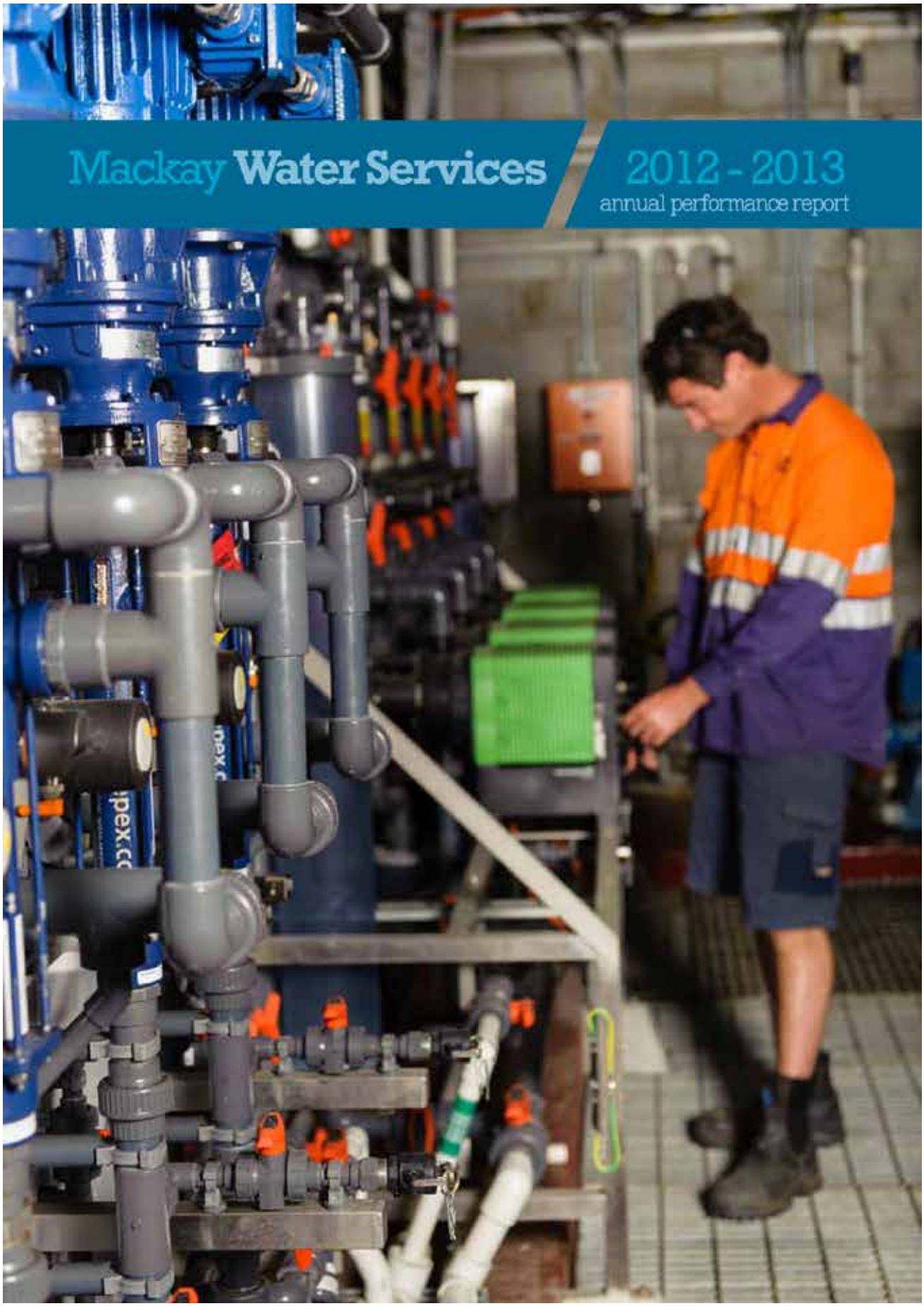
+ We hit the road to educate our community about the importance of recycling in our new waste education trailer. The vehicle travels around delivering educational messages on recycling, worm farming and composting at community events and schools to anyone unable to visit our Paget Waste Education Centre. Ergon Energy provided $10,000 towards the purchase and fit out of the trailer.

Recycling bin audits

+ To improve our recycling rate and further educate residents on what they can and can't recycle, we conducted bin audits on 5800 yellow-lidded recycling bins. Bins were inspected three times over a six-week period and those found with major contaminants were removed from service. A photograph was taken of the contaminants and a letter issued to the resident. The audit found 11.8 per cent of bins had minor contamination and 5.6 per cent were found with major contamination. Council is reviewing its Recycle Right marketing.

Improving Waste Outcomes Working Group

+ Through our new Improving Waste Outcomes Working Group (IWOWG) we introduced a consistent recycling program across council; we implemented staff education programs and encouraged recycling at community events. This group was also involved in drafting council's Waste Management Strategy.


Mackay Water Services
2012 - 2013
annual performance report

fast facts >

195 Water Service staff:

- > maintained 2 dams/weirs and 27 boreholes
- > treated a total of 15,469 ML/year through 2 water treatment plants and 11 smaller water treatment facilities
- > distributed water to the region through 1136km of water mains and the
- > 39,064 connections to the water network
- > supplied 3771 ML of recycled water for irrigation purposes
- > maintained a wastewater network of 868km and 4 sewage/wastewater treatment plants
- > had 49,413 sewer connections and
- > treated 10,471 ML of wastewater.

snapshots >

5,200 Customer requests

4,800 Water samples analysed

120,000 Laboratory tests

10,000+ Automatic water meter readers installed

Water access

+ Properties where a metered water supply had been connected were charged on a per factor basis. Vacant land is allocated one factor per allotment.

$313.50 Annual water access charge

Water consumption tariffs

+ Council is responsible for providing water and sewerage infrastructure for existing and future users of these services.

$1.49/kl Tariff 1 0-150kl/half year

$2.25/kl Tariff 2 150+kl/half year

Mackay Water Services

> "Water Services staff without hesitation went above and beyond the call of duty and waded through effluent up to their chests to locate and isolate the turn off value. This action is a credit to those involved and enhances our reputation as an organisation that will do anything for its community."
>
> **Mayor Deirdre Comerford**
> **acknowledging Water Operations staff at the 2012 council staff awards**

awards >

> **Winner of the 2013 Local Government Managers Australia "Collaboration Award"**
> **> Cairns, Townsville, Mackay (CTM) Water Alliance for their Best Practice Pricing and Financial Sustainability Model**

> **Runner up for Mackay Regional Council's staff "Mayoral Award"**
> **> Water Operation Staff: Ron Bailey, Scott Clark and Jaie Harris**

LGMA top award

+ "The CTM's Best Practice Pricing and Financial Sustainability Model earned them the top gong at the LGMA Awards for enabling a more accurate calculation of water and sewerage pricing and capital costs."
Peta Irvine - CEO
Local Government Managers Australia

Employees recognised at council staff awards

+ Mayor Deirdre Comerford paid tribute to the Water Operations staff for going beyond the call of duty.

"On November 2 the sewer rising main which transports a large percentage of Mackay's sewerage to the recycling facility at Bakers Creek was ruptured by a contractor, placing the entire sewer network at risk. With the high-priority vacuum trucks engaged, Water Services staff without hesitation went above and beyond the call of duty and waded through effluent up to their chests to locate and isolate the turn off value. This action is a credit to those involved and enhances our reputation as an organisation that will do anything for its community."
Mayor Deirdre Comerford
Mackay Regional Council

overview >

Vision

+ Mackay Water Services – an innovative water service provider recognised for its commercial performance – provides regional leadership, has the respect of its customers and industry regulators and prides itself on its sustainability.

Mission

+ Mackay Water Services is committed to delivering sustainable water services to our Mackay region in an efficient and commercially responsible manner.

2012-2013 financial year

+ Water Services is a commercialised business unit of Mackay Regional Council that provides treated water services to over 37,000 residential connections and 3000 commercial and industrial connections - a total of over 100,000 consumers. The business also provides sewage collection and treatment services to over 35,000 connections, as well as non-potable recycled water to farming and public recreational establishments.

The business unit employs approximately 195 staff and has a combined annual operating and capital budget of over $136 million. Its operations are carried out according to the annual Performance Plan that defines council's expectations in terms of performance, reporting, level of service and policy compliance.

During the 2012-2013 financial year, the directorate was transformed from three programs, Planning and Sustainability, Infrastructure Delivery and Operations, to four, with the former Operations program divided into two, Treatment and Networks. Structural changes were implemented to create efficiencies and streamline internal reporting process. Combined, these programs work together to provide quality, cost effective and environmentally sustainable water and wastewater services to the Mackay Regional Council Local Government Area.

Mackay Water Services

The Water and Sewerage Capital Advisory Committee

highlights >

Water experts join advisory committee

+ Three highly qualified water executives with a combined 80 years of experience in the industry – Noel Faulkner, Brad Cowan and Peter Dennis – were appointed to our Water and Sewerage Capital Advisory Committee. This committee was formed to independently review our capital works program, valued at over $700 million over the next 10 years, to ensure our water and sewerage investments are justifiable, affordable and best practice.

Sarina's new sewage treatment plant takes shape

Major projects completed

+ $11 million upgrade to the raw water intake at Dumbleton – to increase the volume of water that can be transferred from the Dumbleton Weir to the Nebo Road Water Treatment Plant, providing a more sustainable water supply for the future.
+ $10.3 million South Mackay Water Trunk main – to improve and increase water services in the area.
+ $3.5 million upgrade to the Mirani network – resulting in improved water pressure in the area.
+ Installation of 2.3 kilometres of new trunk water main along Nebo Road – to replace a 1929 aging cast iron pipeline.

$40 million sewage treatment plant for Sarina

+ Construction has begun on a new sewage treatment plant for Sarina. The $40 million project is expected to meet the needs of the growing Sarina Township until 2030. The system will also feature the latest technology to meet new Department of Environmental and Heritage Protection standards.

Mackay Water Services

"This technology will allow us to identify leaks and faults underground within a much quicker timeframe and reduce wastage."

Cr Frank Gilbert
Water and Sewerage portfolio

New automatic water meters to deliver improved efficiencies

+ We are the first water service provider in Queensland to roll out an automatic meter reader program across our entire region. The $2 million project developed in partnership with Taggle Systems will enable council (and the consumer) to obtain more detailed and regular water consumption information and alert customers of leaks at their property.

Fluoride to stay

+ As recommended by the State Government, council has kept fluoride in the region's water supply. Council investigated the health and community benefits, costs and operations after the State Government passed on the management of fluoride to Local Government. The advice of the Queensland State Government is that fluoride, correctly dosed, is both safe and beneficial to the long term dental health of the community.

Waterwise rebates

+ The Waterwise Rebate Scheme continued, offering rebates to residents on the cost of purchasing a water efficient shower rose, dual flush cistern and rainwater tank. During 2012-2013, $500 was paid out to residents who purchased more than $3,200 worth of water saving products.

Education

+ More than 1800 school students and 20 TAFE students took part in council's H_2O Education program learning our local water story, the water cycle and the journey water takes to reach our taps, as well as valuable information on water conservation practices.

Watch the flow of your H_2O

+ Council launched a new social media marketing campaign "Watch the Flow of your H_2O" encouraging residents to reduce their individual consumption to delay the need to build new infrastructure, which will save us millions. The campaign consists of three rocket scientists providing simple water saving tips on council's website, Facebook page, television, radio and in local newspapers.

Water restrictions

+ In 2012 - 2013 a new water restrictions policy was adopted to streamline watering hours across the region. The policy was simplified with a total ban on watering between 10am and 4pm across levels 1, 2 and 3 and a total watering ban on level 4.

  Level 1 restrictions were in place across Mackay city urban area, Bakers Creek, McEwens Beach, Seaforth, Walkerston, Midge Point, Sarina, Louisa Creek, Hay Point, Koumala, Armstrong Beach, Freshwater Point, Sarina Beach, Campwin Beach, Grasstree Beach, Salonika Beach and Half Tide.

  Level 2 water restrictions were in place across Eton, Calen, Kolijo, Bloomsbury, Mirani, Gargett, Marian, Finch Hatton and Pinnacle.

"Over $400 million will be needed for new and existing infrastructure over the next 10 years. The more water we save now, the more money we can save."

Cr Frank Gilbert
Water and Sewerage portfolio

Mackay Water Services

Water Laboratory Testing

Enforcement Notices and Issuance of Penalty Infringement Notices

+ During the 2012-2013 period, a new process was implemented for the issuing of Enforcement and Penalty Infringement Notices. As a result, 29 Enforcement Notices and 27 Penalty Infringement Notices were issued for backflow prevention device, water theft and illegal connections.

Monitoring and testing

+ The laboratory is now working on increasing its accreditation scope further in the areas of chemical and biological testing. Approximately 90 per cent of analytical reports that are released by the laboratory are NATA (National Association of Testing Authorities) endorsed.

+ Comprehensive testing at the Mirani Sewage Treatment Plant are part of the commissioning and process proving of the upgraded plant.

+ We are developing a Receiving Environmental Monitoring Plan - a requirement under new legislation ERA 63 (3) to identify the impact that sewage treatment plants and sewer overflows have on the region's catchments, including the Pioneer River, Reliance Creek, Bakers and Plane creeks.

+ Waste Services Groundwater Monitoring is underway at over 20 landfill sites across the region. The monitoring program was developed from conducting a risk based framework that identified sites which have a higher risk of contaminating the groundwater system.

Upgrades to pump stations are underway across the region

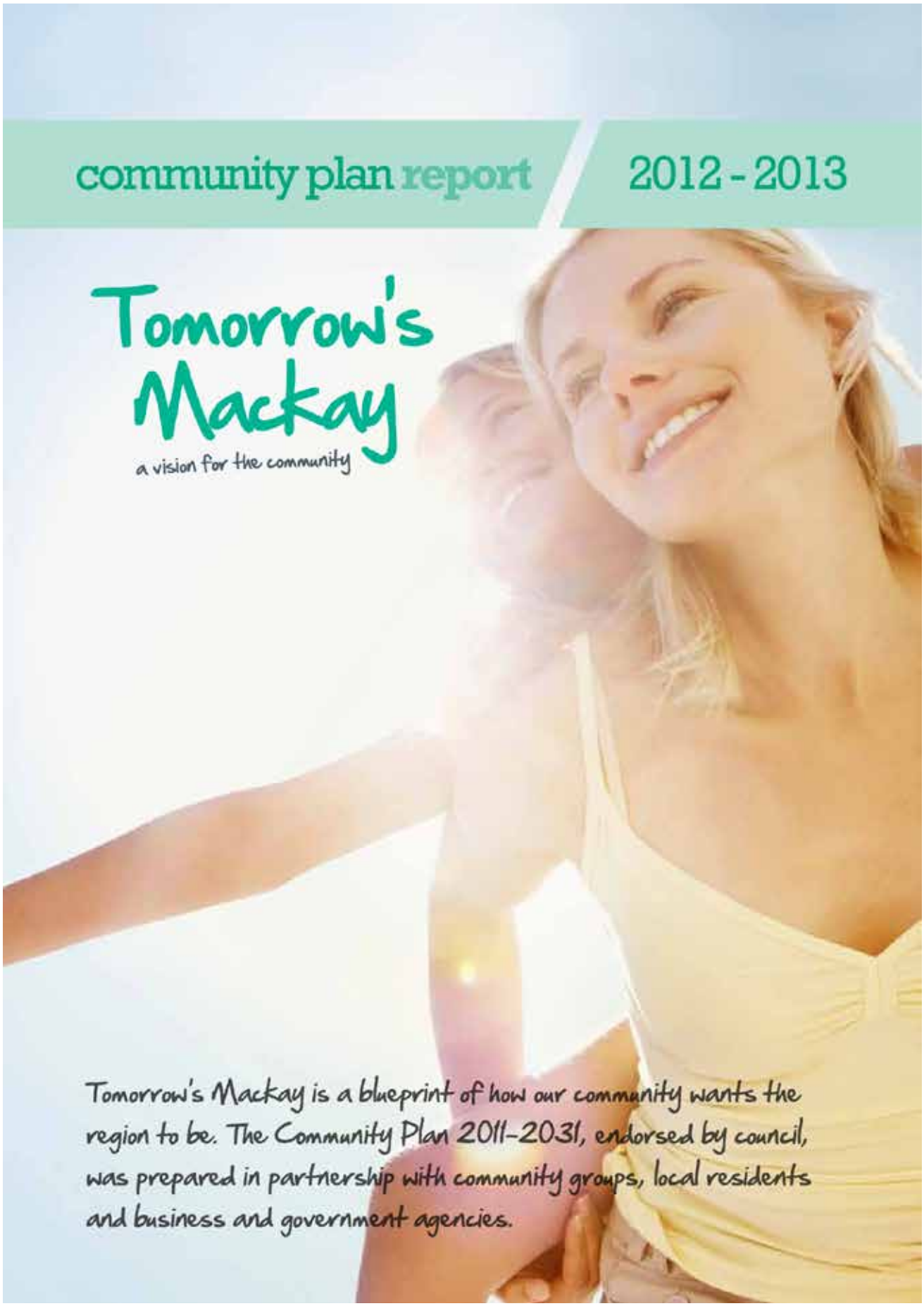
Service delivery

+ One of our primary roles is to upgrade the region's water and wastewater infrastructure. These improvements are crucial to ensure essential services operate efficiently as our region continues to grow.

  During the 2012-2013 year we installed new water mains at 13 different locations, structurally relined about 4 kilometres in sewer pipes and installed a new roof on the Sarina Number 1 and Mt Griffiths reservoirs.

Future projects

+ Install new booster pump stations at the Blacks Beach Reservoir and Eulbertie Avenue
+ Complete seven sewage pump station upgrades
+ Upgrade Burgess Street sewerage rising main
+ Install new trunk water main in conjunction with Bruce Highway/Stockroute Road intersection upgrade


community plan report
2012 - 2013
Tomorrow's Mackay
a vision for the community
Tomorrow's Mackay is a blueprint of how our community wants the region to be. The Community Plan 2011-2031, endorsed by council, was prepared in partnership with community groups, local residents and business and government agencies.

themes >

Tomorrow's Mackay comprises nine themes:

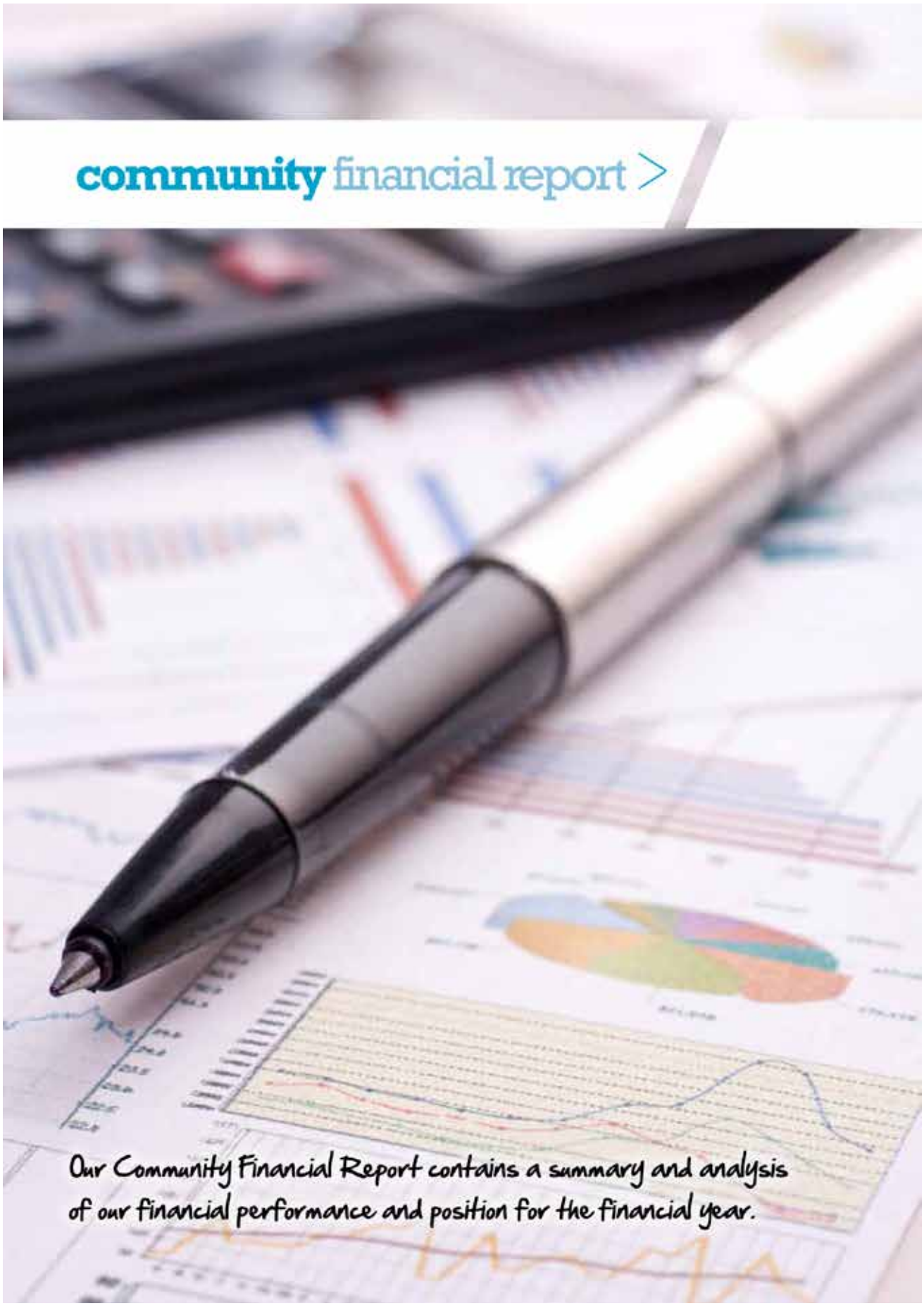
- **strong communities**
- **natural environment and landscapes**
- **natural resources**
- **economic development**
- **settlement patterns**
- **infrastructure**
- **transport and mobility**
- **sustainability and climate change**
- **regional leadership.**

As required under the *Local Government Act 2009*, here's an update on how we have progressed some of the strategic priorities and objectives in the Plan.

2012 - 2013 update >

Notable achievements in year two

+ We celebrated our past with Mackay's 150th anniversary and the arrival of the Australian South Sea Islanders to Queensland with a series of special events. This included the burial of a time capsule filled with memorabilia which will be reopened in 50 years.
+ We took control of Blacks Beach Spit, 27 hectares of picturesque land to preserve for future generations.
+ We secured $8.8 million in Regional Development Australia (RDA) funding and matched the Federal Government's contribution so that our City Centre can undergo an $18.6 million refurbishment.
+ We developed a draft planning scheme to replace our three existing schemes and provide a unified approach to managing land use and the development in our region for the next 20 years. It will also aid in catering for urban and industry growth and protecting our good-quality agricultural land and natural environments.
+ We invested $62 million to upgrade and improve our road network, with a particular focus on the City Centre and Paget industrial precinct.
+ We reduced our water and electricity consumption by two per cent and our CO_2 emissions by 733.86 tonnes by installing eco-friendly products, using four-cylinder vehicles in our fleet and reducing, reusing and recycling our waste.
+ We revised our Community Engagement Policy and Guidelines to provide a platform to better engage and consult with our community.


community financial report >
Our Community Financial Report contains a summary and analysis of our financial performance and position for the financial year.

statements>

To make it easier for readers to understand our financial management and performance, our report focuses on four key financial statements:

> Income statement

> Balance sheet

> Statement of cash flows and,

> Statement of changes in equity

+ Our financial results are reflective of a strong economic base and a sound capacity to service our obligations in the future. Our long-term financial forecast provides a plan to address the challenges and demands associated with providing economic sustainability in a projected growth environment.

Income statement

How did we perform in relation to our trading result over the past 12 months?

Balance sheet

What do we own and owe at year end?

Statement of cash flows

Where has our cash been received and used during the past 12 months and how much remains at year end?

Statement of changes in equity

What is the wealth of the community at year end?

Snapshot of our region's assets

Asset	Value as at June 30, 2013
Land	$266,358,112
Site improvements	$78,704,105
Buildings	$133,023,335
Plant and equipment	$37,280,437
Heritage and cultural assets	$2,744,045
Roads, bridges and drainage	$1,795,978,097
Water	$402,021,726
Sewerage	$452,324,547
Waste	$30,180,318
Work in progress	$122,595,823
Total	**$3,251,210,545**

community financial report

income statement >

$432,532,509 total income

-$317,747,375 total expenses

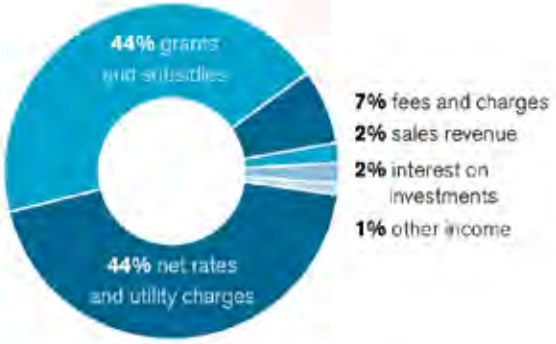
$114,785,134 surplus

Statement of comprehensive income

+ This statement measures how we performed in relation to income and expenses during the financial year. This result does not necessarily represent surplus funds available for general use as certain items of revenue have restrictions on their use. Some revenue is non-monetary (e.g. contributed infrastructure assets such as roads, sewerage mains and water mains, constructed by developers on council's behalf in new land subdivisions), while other revenue is constrained for use on specific future activities (e.g. developer contributions or grants used to maintain and/or expand the region's infrastructure). While further explanation is offered, council continues to provide a wide range of services whilst maintaining a financially sustainable long term outlook.

Total revenue – where our money comes from

+ Our revenue totalled $432 million in the 12 months to June 30, 2013. The graph indicates that 44 per cent of council's revenue is generated from rates and around 44 per cent is received as grants and subsidies. The high percentage of revenue from grants and subsidies, as was the case in both the 2010-2011 and 2011-2012 years, is directly related to Natural Disaster Relief and Recovery Arrangements (NDRRA) funding. We actively seek revenue from other sources and attempt to maximise investment earnings to assist in funding the many services council provides.



Where our money goes

+ Council incurs both operational and capital expenditure in providing services to our community. Capital spending is added to the carrying value of assets as it maintains and expands our asset base. Our expenditure is monitored constantly throughout the year. Detailed estimates are prepared at the beginning of each financial year and performance is measured against these estimates through regular budget reviews, to ensure our funds are utilised as efficiently as possible.

+ While our operating costs amounted to $291 million, we also spent $138 million on capital projects during the year. Major items of capital expenditure included:
  > water infrastructure ($22.8M)
  > waste water infrastructure ($24.5M)
  > roads, bridges and drainage ($63.4M)
  > NDRRA works ($20.7M)
  > parks and environment ($2.5M)
  > waste infrastructure ($2M)

balance sheet >

Statement of financial position

+ Our statement of financial position measures what we own and owe to relevant stakeholders at the end of the financial year. The result of these two components determines the net wealth of council, which is the net wealth of the community. Our community's net worth (what we own less what we owe) at the end of the financial year was approximately $3.13 billion.

$3.44 billion assets – what we own

-$0.31 billion liabilities – what we owe

$3.13 billion equity – community wealth

What do our assets consist of?

+ The bulk of our assets are in the form of infrastructure such as roads, drainage, water and sewerage assets which collectively make up 75 per cent of council's total asset base. Significant parts of our expenditure in the long-term financial forecast are focused on maintaining and upgrading these infrastructure assets, to cater for our community now and into the future.

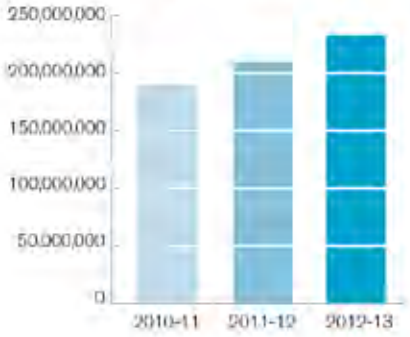
What do our liabilities consist of?

+ The bulk of our liabilities are in the form of loans and provisions that collectively represent 87 per cent of council's total liabilities. We use loans to finance certain projects in order to ensure costs are shared across the generations who will benefit from those assets. Provisions include the setting aside of funds to rehabilitate landfill and quarry sites administered by council as well as expenses relating to employee entitlements (e.g. long service leave).

Our long-term financial forecast shows debt increasing over time as investment continues in major community infrastructure. Our 2012-2013 borrowings were in areas such as water supply trunk mains, waste water pump stations and plant, Rosewood Drive commercial section and landfill works. These infrastructure investments have all been driven by strong growth in the region and the use of debt ensures that residents of the future also contribute their fair share to the cost for these long life assets.

Our outstanding debt at the end of the financial year was about $232 million. The graph to the right shows our borrowings over the past three years. Increases are in line with our long-term financial forecast and our debt policy.

Outstanding debt balance



community financial report

statement of changes in equity >

Statement of changes in equity

+ This statement measures the change in our net wealth and considers such items as retained earnings and revaluations of our asset base.

A portion of our community wealth is cash backed by an appropriate level of internally imposed expenditure restrictions that limit amounts available for discretionary or future use. These restrictions are held in various reserves for management purposes and held to plan for future projects. With good planning this can place less reliance on loan borrowings and provides flexibility to ensure we can weather any unforeseen financial shocks or adverse changes in our business. The current balance of these reserves is about $120 million.

statement of cash flows >

Statement of cash flows

+ This statement identifies how we received and spent our money during the year. The end result details what cash is available at year end.

While our cash balance is $157 million, it is important to note that a large portion of this amount is restricted for specific purposes such as NDRRA repairs and future capital works.

We pool and invest funds throughout the year in low-risk, short-term investments in accordance with our investment policy.

Looking forward, our short and long-term cash flows indicate that sufficient cash is available to meet recurring activities and capital expenditure.

$165,742,009 opening balance
$374,414,853 cash received
-$381,893,329 cash spent
$157,263,533 cash available

overall trends >

+ We ended the 2012-2013 financial year in a strong financial position, and our long-term position has been rated as sound by Queensland Treasury Corporation. We are committed to maintaining financial sustainability in the long term to meet our future obligations and the demands of our community for the foreseeable future. This is supported by the 2011 Credit Review undertaken by Queensland Treasury Corporation, which included the following financial sustainability measures.

Operating surplus ratio

– This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes.

A positive ratio indicates the percentage of total rates available to help fund proposed capital expenditure. Our long-term commitment to funding future capital growth is reflected in these results.

The result for 2013 is due to a large expenditure on NDRRA projects for which the income is yet to be received.

Ratio	Target	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating surplus	Between 0%-10%	-2.6%	5.4%	5.4%	5.8%	7.9%	9%	10%	9.1%	10.3%	11.8%
Net financial liabilities	Not greater than 60%	43.3%	75.1%	87%	79.7%	79.6%	83.9%	91.1%	94.9%	90.5%	84.2%
Asset sustainability	Greater than 90%	85.7%	156.3%	108.7%	80.6%	102.5%	114.1%	77.7%	66.3%	61.0%	81.3%

Net financial liabilities ratio

– This is an indicator of the extent to which our net financial liabilities can be serviced by our operating revenues. The benchmark established for the Local Government sector is a maximum of 60 per cent and results higher than this indicate that the flexibility to use debt to fund future projects may be restricted. In order to address affordability issues and ensure intergenerational equity, council has and will use loan funds to manage impacts of necessary major capital investment. Our increased debt levels are also reflective of the loss of significant water and sewerage subsidies. Despite exceeding the desired target, we remain confident in meeting our financial liabilities over the long term whilst also taking the opportunity to review results arising from the regional sustainability strategy currently underway.

Asset sustainability ratio

+ This ratio is an approximation of the extent to which the infrastructure assets managed by council are being replaced as they reach the end of their useful lives. We are confident that the planned capital expenditure on the renewal of assets included in our long-term financial forecast contributes to asset replacement and renewal for the forecast period. Further work on our asset management plans and regional sustainability strategy will improve our ability to make informed decisions regarding asset management into the future.

legislative requirements >

policies >

Borrowing Policy

Loans are used to fund major capital and infrastructure works so that repayments are spread over a number of years, as they have extended useful lives. Our Borrowings Policy details new borrowings, the purpose of the borrowings and repayment terms.
They are as per the table (right):

Project	2011-2012 Loan	2012-2013 Loan	2013-2014 Loan	Repayment term
General	4,860,300	12,837,137	7,459,043	9 to 20 years
Water	10,142,166	5,825,383	7,197,144	20 years
Sewerage	7,520,313	13,890,000	-	20 years
Cleansing	4,867,000	380,634	-	15 to 20 years
Total	$27,389,788	$33,933,364	$14,656,123	

Purposes of borrowing

The types of projects we fund by loan borrowings are usually large infrastructure projects which would have a significant financial impact if funded in one financial year. This method ensures that our ratepayers are not burdened with unrealistic expenditure levels. The repayment for these capital works creates an asset for council, which can then be repaid over a number of years reflective of the extended life of the asset, where appropriate.

Revenue Policy

Our Revenue Policy (adopted annually at the budget meeting) governs our revenue-raising activities. This policy provides details on how rates are levied and explains the differential rating system. All water, sewerage and waste charges are based on this policy, as well as special levies, rate remissions, payments and discounts and cost recovery on private works. Copies of our Revenue Policy are available at www.mackay.qld.gov.au/policies.

Special rates and charges

Under the Local Government Act 2009 we're required to provide details of action taken in relation to, and expenditure on, a service facility or activity for which the Local Government made and levied a special rate or charge for the financial year and a summary of all rebates and concessions allowed by Local Government in relation to rates.

Special rate (City Centre Management)

A special rate was levied on properties within our City Centre precinct for City Centre Management. The revenue from these rates was used as core funding for the promotion, revitalisation and enhancement initiatives of our City Centre.

Special Charge (Rural Fire Services)

Where requested by a Rural Fire Brigade (or group thereof), we levy a Special Charge to provide assistance with their operations. All funds levied (less an administration charge) are paid to the relevant Rural Fire Brigade or group.

Rebates and concessions

We have six different rebates and concessions for our rates. These are Concessions for Eligible Pensioners, Remission for Non-Profit Community Organisations, Conservation Remission Policy, Rates Relief Policy and Concessions for Concealed Leaks and Exceptional Circumstances. Full details of these rebates and concessions are available within the Revenue Policy at www.mackay.qld.gov.au/policies.

Administrative action complaints

As an organisation we strive to uphold excellent standards. As a result, our Complaint Policy is in place to efficiently and effectively investigate and manage customer complaints. We pride ourselves on possessing an open, customer-focused and responsive complaints-handling process.

Pleasingly, our number of administrative action complaints have more than halved in comparison to last financial year – 133 action complaints last year versus 57 this year. All 57 administration actions complaints received were resolved.

Councillors' Remuneration Policy

Our councillors' remuneration is determined by the Local Government Remuneration Tribunal that sets remuneration levels for all councils across the state. Our council adheres to recommendations by the Local Government Remuneration Tribunal.

legislative requirements

Councillors' Reimbursement Policy

Our councillors' reimbursement of expenses and provision of facilities policy (as required under the Local Government Regulation 2012) ensures accountability and transparency in the reimbursement of expenses incurred by our councillors and ensures they are provided with reasonable facilities to assist them in carrying out their civic duties. The policy is as follows:

> Payment of expenses

Expenses will be paid to a councillor through administrative processes approved by our Chief Executive Officer (CEO) subject to the limits outlined in this policy, or council endorsement by resolution.

> Expense categories

(i) Professional development

We will reimburse expenses incurred for mandatory professional development and/or discretionary professional development deemed essential for the councillors' roles. Any professional development, regardless of category and requiring overseas travel, requires formal council resolution. The Mayor attends the Local Government Association Queensland (LGAQ), Australian Local Government Association (ALGA) and any other relevant conferences/seminars/workshops as the primary delegate. Councillors can attend workshops, courses, seminars and conferences that are related to their roles. Approval to attend is made by council resolution and therefore councillors should advise the CEO of their desire to attend an event. The CEO will provide a report to council seeking approval on behalf of the councillor.

(ii) Discretionary professional development

Each councillor can attend (at their own discretion) workshops, courses, seminars and conferences that improve their skills relevant to their role. This training is initially limited to $5000 per councillor over the current term of office, but will be reviewed annually when setting the budget. There is no requirement for a council resolution to approve these attendances, however, the councillor would need to submit a request to the CEO (prior to attendance) and provide all relevant documentation within 14 days of attending the event to ensure their expenses are reimbursed.

(iii) Travel as required to represent council

We will reimburse local, interstate and, in some cases, overseas travel expenses (such as flights, motor vehicle, accommodation, meals and associated registration fees) deemed necessary to achieve the business of council where a councillor is an official representative of council and the activity/event and travel has been endorsed by resolution of council. Approval for such travel is to be approved either by resolution of council or by the Mayor and/or the CEO.

We will pay for reasonable expenses incurred for overnight accommodation when a councillor is required to stay outside our council area. Wherever possible all councillor travel approved by council will be booked and paid for by us in advance.

(iv) Private vehicle usage

Councillors' private vehicle usage will be reimbursed if the usage is for official council business. This includes to:

- attend official council business/meetings/functions/community events and public meetings in the role of councillor
- investigate issues/complaints regarding council services raised by residents/ratepayers and visitors to the region.

Councillors making a claim for reimbursement of private vehicle usage can do so by submitting the appropriate form detailing the relevant travel based on log book details. The amount reimbursed will be based on the published Australian Tax Office business-use-of-motor-vehicle-cents-per-kilometre method and kilometre rate applicable at the time of travel. Councillors will be provided with an appropriate log book to assist in this process.

(v) Meals

We will reimburse reasonable costs of meals for a councillor when the councillor has incurred the cost personally and the meal was not provided within the registration cost of the approved activity/event, upon production of a valid tax invoice. The following limits apply to the amount we will reimburse for meals: $23 for breakfast (if the councillor is required to depart their home prior to 6am), $25 for lunch and $43 for dinner (if the councillor returns to their home after 9pm).

Expenses relating to the consumption of alcohol will not be reimbursed. Should the councillor choose not to attend a provided dinner/meal, then the full cost of the alternative meal shall be met by the councillor. Only one method of reimbursement will be permitted. Meal limits are in accordance with Taxation Determination TD 2009/15 and will escalate in line with future Taxation Determinations as issued by the ATO from time-to-time.

(vi) Hospitality

Councillors may have occasion to incur hospitality expenses while conducting council business apart from civic receptions organised by council. The Mayor may particularly require additional reimbursement when entertaining dignitaries outside of official events. To allow for this expense, the following amounts can be claimed: $500 per annum for councillors and Deputy Mayor and up to $6000 per annum for the Mayor (based on the category assigned to council by the Local Government Remuneration Tribunal). To claim the Mayor or councillor must provide a written statement of whom they entertained and an indication of the costs. Receipts, if available, should be provided but are not mandatory. These limits will be increased annually on July 1 each year, adjusted by the movement in the Brisbane Consumer Price Index (CPI) at March 30 each year.

(vii) Accommodation

Councillors may need to stay away from home overnight while attending to council business. When attending conferences, they should take advantage of the package provided by conference organisers (if applicable) and therefore stay in the recommended accommodation unless prior approval has been granted by the CEO. All councillor accommodation for council business will be booked and paid for by us. Suitable accommodation will be sought within a reasonable distance to the venue that the councillor is to attend. Should more than one councillor attend the same event, we will book and pay for a separate room for each attending councillor.

> Provision of facilities

Council will provide facilities for the use of councillors in the conduct of their respective roles with council. All facilities provided remain our property and must be returned when the councillor's term expires. The facilities provided by us to councillors are to be used only for council business unless prior approval has been granted by resolution of council.

> Facility categories

(a) Administrative tools and access to council office amenities

Councillors will be provided with the following:

- suitable office space at the administration building in Gordon Street, Mackay, and council meeting rooms for daily use
- secretarial support for Mayor and councillors located at the administration building
- desktop and/or laptop computer
- use of our landline telephone and internet access
- fax and/or scanner
- printer, photocopier, paper shredder, filing cabinet
- stationery
- hands-free mobile telecommunications device for councillors' private vehicle
- any other administrative necessities, which we resolve are necessary to meet the business of council.

(b) Home office

We recognise that by using contemporary communication technologies (such as the internet for the electronic distribution of agendas and minutes) and the distance some councillors will have to travel if this technology was not used, there is a necessity to provide home-office facilities to councillors. Accordingly, we will supply and pay for an internet connection and land-based phone line at the councillor's residence. We will pay installation costs (if required) and monthly costs for line rental and current internet package. These services will be in the name of the councillor and personal usage will be the responsibility of his/her responsibility.

(c) Maintenance costs of council-owned equipment

We are responsible for the ongoing maintenance and reasonable wear-and-tear costs of council-owned equipment that is supplied to councillors for official-business use. This includes the replacement of any facilities that fall under council's Asset Replacement Program.

(d) Uniforms and safety equipment

We will provide to a councillor:

- uniform allowance as per staff policy
- council blazer, tie or scarf
- necessary safety equipment for use on official business (eg safety helmet, boots and safety glasses).

(e) Use of council vehicles on council business

Councillors will have access to a suitable council vehicle for official business. A councillor wishing to use a council vehicle for council business must submit a request to the CEO at least two days prior, except in exceptional circumstances as determined between the councillor concerned, Mayor and CEO.

(f) Private use of council vehicles

The Mayor will be provided with a fully maintained suitable council vehicle of no higher value than a Holden Statesman Caprice including all running costs provided for unlimited and unrestricted use by the Mayor for council business and private purposes in recognition of the duties required to be performed by the Mayor and the irregular hours required to attend council, community and civic responsibilities. Should the Mayor elect to use a privately owned vehicle, we shall pay for all kilometres travelled at the applicable ATO rate. Payment shall be made monthly, based on the monthly opening and closing odometer readings of the nominated vehicle.

(g) Fuel costs

All fuel used in a council-owned vehicle on official council business will be provided or paid for by us.

(h) Car parking amenities

We will provide councillors with car parking spaces at the main administration building. Councillors will be reimbursed for parking costs they have paid while attending official council business (eg secured vehicle parking at an airport).

(i) Telecommunication needs: mobile phones

To enable councillors to be able to communicate effectively, councillors will have the costs of a mobile phone package paid by us. The package will be the $129 per month Personal Freedom Connect Plan, amended from time-to-time by the CEO as required. The councillor is to arrange the plan and provide us with the account details. We will pay $129 into the account monthly and any costs over and above those will be the councillor's responsibility.

(j) Insurance cover

Councillors will be covered under relevant council insurance policies while discharging civic duties. Specifically, insurance cover will be provided for public liability, professional indemnity, councillors' liability and personal accident. We will pay the excess for injury claims made by a councillor resulting from the conduct of official council business and on any claim made under insurance cover.

We will cover costs incurred through injury, investigation, hearings or legal proceedings into the conduct of a councillor, or arising out of (or in connection with) the councillor's performance of his/her civic functions. If it is found the councillor breached the provisions of the Local Government Act 2009, the councillor will reimburse us with all associated costs incurred by council.

(k) API card

Councillors may become API members.

(l) Limit

We may by resolution reduce or limit benefits receivable under this policy.

legislative requirements

allowances >

< expenses

Councillors' allowances

Total remuneration paid to each of our councillors during 2012-2013, minus superannuation:

Councillor	Total
Cr Deirdre Comerford	$152,662.96
Cr Kevin Casey	$104,088.84
Cr Chris Bonanno	$90,210.16
Cr Laurence Bonaventura	$90,210.16
Cr Frank Gilbert	$90,210.16
Cr Alison Jones	$90,210.16
Cr Greg Martin	$90,210.16
Cr Theresa Morgan	$90,210.16
Cr David Perkins	$90,210.16
Cr Paul Steindl	$90,210.16
Cr Ross Walker	$90,210.16

Councillors' superannuation

Total superannuation paid to each of our councillors during 2012-2013:

Councillor	Total
Cr Deirdre Comerford	$18,319.56
Cr Kevin Casey	$12,490.55
Cr Chris Bonanno	$10,825.16
Cr Laurence Bonaventura	$10,825.16
Cr Frank Gilbert	$13,777.22
Cr Alison Jones	$10,825.16
Cr Greg Martin	$10,825.16
Cr Theresa Morgan	$10,825.16
Cr David Perkins	$10,825.16
Cr Paul Steindl	Nil*
Cr Ross Walker	$10,825.16

*Councillor Paul Steindl elected not to take the superannuation contribution.

Consulting, advertising, entertainment/hospitality

Total expenditure for these services during 2012-2013:

Department	Consulting	Advertising	Entertainment/ Hospitality
Community Services	$171,699	$417,222	$142,026
Corporate Revenue and Expenditure	$267,009	$10,980	$1,384
Corporate Services	$90,737	$116,590	$44,427
Development Services	$360,191	$18,316	$5,168
Engineering Services	$157,899	$45,879	$20,905
Water and Waste Services	$449,164	$225,385	$10,787
Total	**$1,436,699**	**$834,371**	**$224,697**

Senior management remuneration

Under section 201 of the *Local Government Act 2009*, we provide the total remuneration paid to senior executive employees, including the CEO and employees reporting directly to the CEO during the financial year. Remuneration for senior management during 2012-2013:

Income range	Number of packages
$201,000 - $250,000	5
$251,000 +	1

meetings >

Council meetings from July 1, 2012 - June 30, 2013

Councillors	Ordinary	Special meetings	Absent on council business	Leave of absence
Cr Deirdre Comerford (Mayor)	40	1	4	0
Cr Kevin Casey (Deputy Mayor)	38	1	5	1
Cr Chris Bonanno	40	1	0	4
Cr Laurence Bonaventura	39	1	3	2
Cr Frank Gilbert	44	1	0	0
Cr Alison Jones	41	0	0	3
Cr Greg Martin	36	1	2	6
Cr Theresa Morgan	42	1	0	2
Cr David Perkins	44	1	0	0
Cr Paul Steindl	41	1	1	2
Cr Ross Walker	40	1	1	3
Total meetings for this period	44	1		

< committees

Local community and council committees

The following is a list of councillor appointments to committees and groups, both internal and external to council from July 1, 2012 to June 30, 2013.

Committee/group	Councillor
Audit Advisory Committee	Cr Deirdre Comerford Cr Ross Walker
Character and Heritage Advisory Committee	Cr Chris Bonanno Cr Dave Perkins Cr Greg Martin
Community Grants Advisory Committee	Cr Chris Bonanno Cr Alison Jones Cr Paul Steindl
Equity Access Advisory Committee	Cr Alison Jones
Local Area Multicultural Partnership Committee	Cr Alison Jones
Mackay Matsuura Sister City Advisory Committee	Cr Alison Jones Cr David Perkins

Committee/group	Councillor
Natural Environment Advisory Committee	Cr Alison Jones Cr Theresa Morgan
Regional Arts Development Fund Advisory Committee	Cr Chris Bonanno Cr Theresa Morgan
Regional Sustainability Advisory Committee	Cr Deirdre Comerford Cr David Perkins
Rural Affairs Advisory Committee	Cr Alison Jones Cr David Perkins
Sarina Field of Dreams Advisory Committee	Cr Chris Bonanno Cr Greg Martin

Committee/group	Councillor
Sustainable Futures Advisory Committee	Cr Deirdre Comerford Cr Greg Martin Cr Theresa Morgan
Traffic and Regulated Parking Advisory Committee	Cr Laurence Bonaventura Cr Kevin Casey
Visual Arts Advisory Committee	Cr Chris Bonanno
Walking and Cycling Advisory Committee	Cr Kevin Casey Cr Paul Steindl
Water and Sewerage Capital Advisory Committee	Cr Deirdre Comerford Cr Frank Gilbert Cr Ross Walker

legislative requirements

committees >

External Local, State or Federal Government Committees

The following is a list of councillor appointments to committees and groups, both internal and external to council from July 1, 2012 to June 30, 2013.

Committee/group	Councillor
Artspace Foundation Executive Committee	Cr Deirdre Comerford Cr Chris Bonanno*
Australia Wide Rural Road Group (AWRRG)	Cr Deirdre Comerford
CTM Water Alliance Executive Committee	Cr Frank Gilbert
LGAQ Policy Executive	Cr Deirdre Comerford
Local Authorities Waste Management Advisory Committee	Cr Laurence Bonaventura
Local Marine Advisory Committee (GBRMPA)	Cr Theresa Morgan
Mackay District Disaster Management Group	Cr Deirdre Comerford
Mackay Region Boating Facilities (QLD Transport)	Cr Kevin Casey
Mackay Show Trustees	Cr Deirdre Comerford
MIWROC	Cr Deirdre Comerford
North Queensland Sports Foundation	Cr Paul Steindl
Pioneer River Improvement Trust	Cr Kevin Casey Cr Theresa Morgan
Regional Economic Development Corporation (REDC)	Cr Deirdre Comerford Cr Greg Martin*
Whitsunday Regional Roads Group	Cr Deirdre Comerford Cr Kevin Casey
Citysafe	Cr Greg Martin
Crimestoppers	Cr Alison Jones
DBCT Community Working Group	Cr Paul Steindl
Mackay Foundation	Cr Deirdre Comerford Cr Chris Bonanno*
Mackay Regional Housing Company	Cr David Perkins
Mackay Regional Showcase Committee	Cr Chris Bonanno
Mackay Safe Healthy Communities Network Support Group	Cr Alison Jones Cr Frank Gilbert
Mackay Tourism	Cr Greg Martin
NQ Bulk Ports Community Reference Group – Hay Point	Cr Paul Steindl
NQ Bulk Ports Community Reference Group - Mackay	Cr Greg Martin
Pioneer Catchment and Landcare Group	Cr Theresa Morgan
Pioneer Valley Museum	Cr Chris Bonanno
Regional Social Development Centre	Cr Alison Jones
River Rock to Mountain Top Festival Organising Committee	Cr Chris Bonanno
Roads Accident Action Group	Cr Kevin Casey
Rural Safety Working Group	Cr Laurence Bonaventura
Sarina Festival Organising Committee	Cr Chris Bonanno
Sarina Historical Centre Committee	Cr Chris Bonanno
Sarina Landcare Integrated Catchment Management Assoc.	Cr Theresa Morgan
Sarina Rural Skills Centre Management Board	Cr Greg Martin
St Vincent De Paul Housing Committee	Cr Alison Jones

Internal Working Groups/Forums

Committee/group	Councillor
Australian South Sea Islander 150 Years Steering Committee	Cr Chris Bonanno Cr Alison Jones
Asset Management Steering Committee	Cr Ross Walker
Brewers Park Sporting Committee	Cr Paul Steindl
City Centre Taskforce	Cr Chris Bonanno Cr Greg Martin
COU Working Group	Cr Paul Steindl
Development Assessment Review Team	Cr David Perkins
Development Forum	Cr Deirdre Comerford Cr David Perkins
Economic Recovery Sub Group	Cr Greg Martin Cr Ross Walker
Environment Recovery Sub Group	Cr Laurence Bonaventura Cr Theresa Morgan Cr Paul Steindl
Fleet and Procurement Working Group	Cr Ross Walker
Human-Social Recovery Sub Group	Cr Chris Bonanno Cr Alison Jones
Improving Visual Amenity Working Group	Cr Theresa Morgan
Improving Waste Outcomes Working Group	Cr Laurence Bonaventura
Infrastructure Recovery Sub Group	Cr Kevin Casey Cr Frank Gilbert Cr David Perkins
Mackay Local Disaster Management Group	Cr Kevin Casey Cr Deirdre Comerford Cr Paul Steindl
Mackay Local Disaster Recovery Group	Cr Kevin Casey Cr Deirdre Comerford Cr Paul Steindl
Mackay Water Recycling Project Growers Meeting	Cr Frank Gilbert
Natural Environment Working Group	Cr Theresa Morgan
Rates Review and Alternate Sources of Revenue Working Group	Cr Chris Bonanno Cr Deirdre Comerford Cr Frank Gilbert Cr Ross Walker
Reducing Water Consumption Working Group	Cr Frank Gilbert
Revitalising Artspace Working Group	Cr Chris Bonanno
Sarina Sugar Shed Taskforce	Cr Chris Bonanno Cr Greg Martin Cr Paul Steindl
South Mackay Sporting Precinct Working Group	Cr Paul Steindl
Sports Expo and Sign On Day Working Group	Cr Paul Steindl
Tourism Assets Working Group	Cr Chris Bonanno Cr Greg Martin

* Proxy

registers >

Council maintains a list of registers that are available on request.
These include:

- Register of animal impoundment
- Register of assets
- Register of authorised persons
- Register of cats and dogs
- Register of cemetery
- Register of complaints
- Register of conflict/material personal interest
- Register of contracts
- Register of councillor complaints
- Register of delegations
- Register of electoral gifts
- Register of gifts and benefits
- Register of infrastructure agreements
- Register of infrastructure notices
- Register of installed on-site sewerage and greywater use facilities
- Register of interests
- Register of land records
- Register of licensing
- Register of lobbyists
- Register of local laws and subordinate local laws
- Register of regulatory fees
- Register of roads and road maps
- Register of stock impoundment
- Register of testable backflow prevention devices
- Register of vehicle impoundment

Councillor complaints

One complaint was made against our councillors in 2012-2013.
On June 5, 2013 Cr Paul Steindl received a complaint for:

- inappropriate conduct under Section 176(4) of the Local Government Act 2009 regarding the use of the SES Facility Shed at Sarina for a private function.

The outcome:

- Cr Steindl was issued with a letter of reprimand by the Mayor in relation to a minor breach regarding inappropriate conduct under Section 176(4) of the *Local Government Act 2009*, use of council resources without the Chief Executive Officer's permission.

< funding

Regional Arts Development Fund (RADF)

This fund is a partnership between our council and Arts Queensland that supports one-off, short-term projects that offer professional arts, cultural and heritage opportunities for our community. The total amount allocated to the RADF program for the 2012-2013 financial year was $163,333.

RADF funding source	Amount
Arts Queensland contribution	$77,333
Council contribution	$86,000
Breakdown of allocations	
Allocation for community projects – four rounds at $31,033 per round	$124,132
Allocation for council led initiative – development of a cultural website*	$22,865
RADF community committee training	$16,335

* Council engaged Human Ventures to design and develop a website to promote the work of our local artists. The website will promote our creativity, tourism and community investment and act as a resource hub for those looking to engage the services of local artists.

grants >

Community Grant Program

We provided grants to local not-for-profit community groups to help provide services, events and activities to benefit our community. Applications are accepted twice each financial year and local not-for-profit organisations can apply for funding through the following six categories:

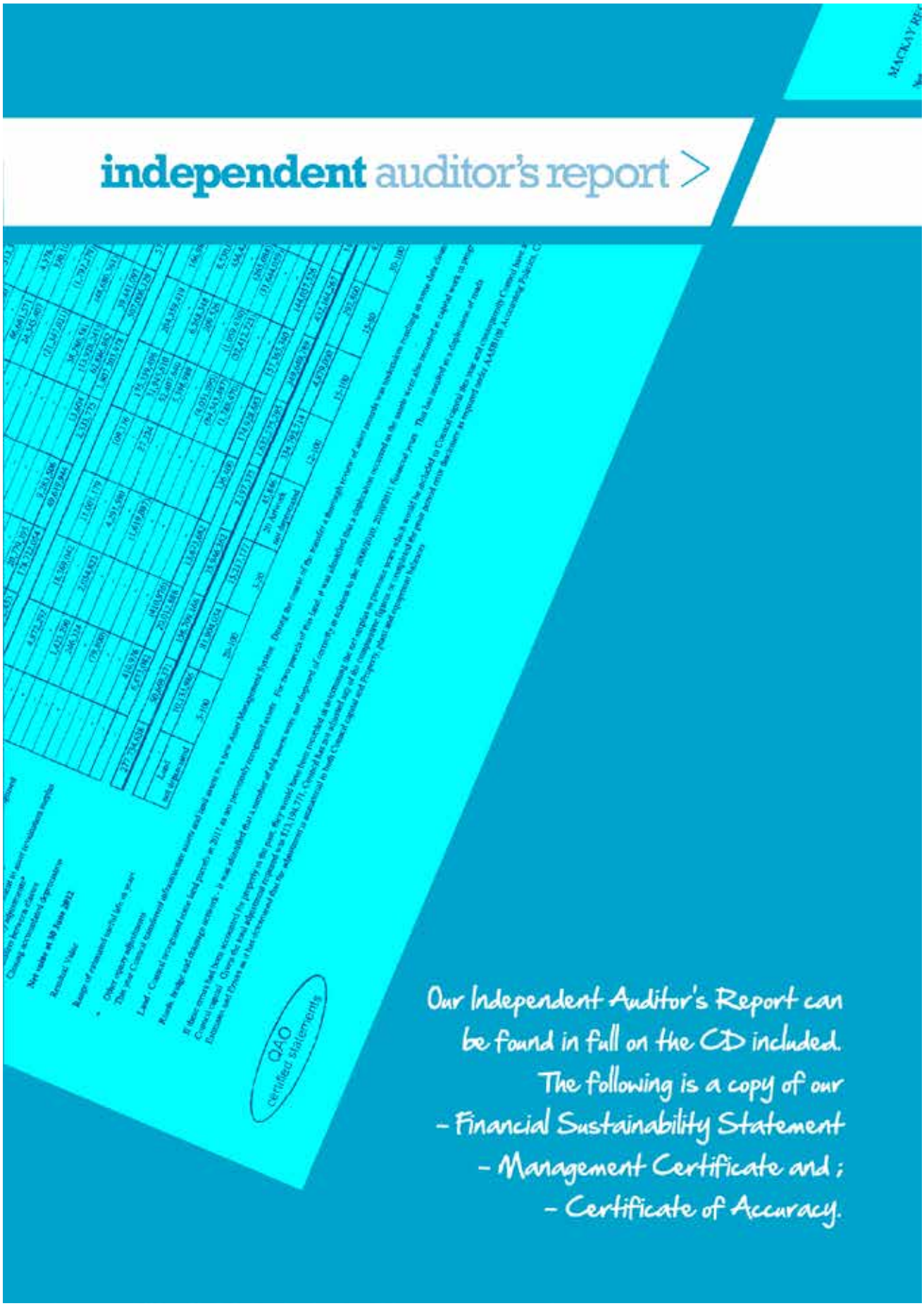
- community organisation development
- community facilities upgrade/ development
- sport and recreation development
- community arts and cultural development
- community events development
- small equipment.

Summary of expenditure from our Community Grant Program

Grants more than $4000 for the financial year are detailed below. (grants less than $4000 totalled $51,210.60).

Organisation	Amount	Purpose
Australian Powerboat Association Offshore Council	$5000	Mackay round of the Australian Offshore Superboat Championships
Boating Industry Association of Queensland – Marine Queensland	$5000	The Mackay Marine Festival/Trinity and Tackle Show
Ideal Placements	$5000	Help local unemployed residents fix the Mackay Rugby Union facility
Mackay and Regional Football Zone Inc	$5000	Master plan for the relocation of Football Mackay
Mackay Riding for Disabled Association	$4329	New tack and horse equipment for six horses
Mackay Sport Expo and Sign On Day Committee	$5000	Hire costs of the MECC to hold the Mackay Sports Expo and Sign on Day
Mackay Swimming Academy Inc	$4450	The 39th Annual Great Barrier Reef (GBR) Swim Meet
National Day of Thanksgiving Committee	$5000	The Mackay National Day of Thanksgiving Community Festival
Sarina Arts Council	$5000	The Sarina Arts Extravaganza and hire of the Bob Wood Cultural Hall
The River Rock to Mountain Top Community Festival	$5000	Infrastructure for the lantern parade and community entertainment

independent auditor's report >



Our Independent Auditor's Report can be found in full on the CD included. The following is a copy of our
- Financial Sustainability Statement
- Management Certificate and ;
- Certificate of Accuracy.

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Mackay Regional Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Mackay Regional Council for the year ended 30 June 2013, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Current-Year Financial Sustainability Statement

The Council is responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the *Local Government Regulation 2012*. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the current-year financial sustainability statement based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards,* which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Mackay Regional Council, for the year ended 30 June 2013, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

Other Matters - Electronic Presentation of the Audited Statement

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

QUEENSLAND
31 OCT 2013
AUDIT OFFICE

P FLEMMING CPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

MACKAY REGIONAL COUNCIL

Financial Statements
For the year ended 30 June 2013

Management certificate
For the year ended 30 June 2013

These general purpose financial statements have been prepared pursuant to Section 176 and 177 of the Local Government Regulation 2012 (the Regulation) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation we certify that :

(i) the prescribed requirements of the Local Government Act 2009 and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the general purpose financial statements, as set out on pages 1 to 49, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's and the consolidated entity's transactions for the financial year and financial position at the end of the year.

Mayor
Deirdre Comerford

Date: 25 / 10 / 13

Chief Executive Officer
Barry Omundson

Date: 25 / 10 / 13

MACKAY REGIONAL COUNCIL

Current-year Financial Sustainability Statement
For the year ended 30 June 2013

Certificate of Accuracy
For the year ended 30 June 2013

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012.

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Mayor
Deirdre Comerford

Date: 25 / 10 / 13

Chief Executive Officer
Barry Omundson

Date: 25 / 10 / 13

PO Box 41 Mackay Qld 4740 **Ph 1300 MACKAY** (622 529) **www.mackay.qld.gov.au**

Mackay REGIONAL COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the period 1 July 2012 to 30 June 2013

MACKAY REGIONAL COUNCIL

Financial Statements
For the year ended 30 June 2013

Table of contents

Note		Page
	Statement of Comprehensive Income	3
	Statement of Financial Position	4
	Statement of Changes in Equity	5
	Statement of Cash Flows	6
	Notes to the Financial Statements	
1	Summary of significant accounting policies	7 - 22
2	Analysis of results by function	23 - 24
3	Revenue analysis	25
4	Grants, subsidies, contributions and donations	25
5	Employee benefits	26
6	Materials and services	26
7	Finance costs	27
8	Depreciation and amortisation	27
9	Capital expenses	27
10	Cash assets and cash equivalents	28
11	Trade and other receivables	28
12	Inventories	29
13	Land held for sale	29
14	Property, plant and equipment	30 - 34
15	Intangible assets	35
16	Trade and other payables	35
17	Provisions	36 - 37
18	Borrowings	37
19	Other liabilities	37
20	Asset revaluation surplus	38
21	Events after balance date	38
22	Commitments for expenditure	39
23	Contingent liabilities	39 - 40
24	Superannuation	40 - 41
25	Trust funds	41
26	Reconciliation of net result attributable to Council to net cash flow from operating activities	41
27	Correction of error	42
28	Financial instruments	43 - 46
29	National competition policy	47 - 49
	Management Certificate	
	Independent Audit Report	
	Current-year Financial Sustainability Statement	
	Certificate of Accuracy (Current-year Financial Sustainability Statement)	
	Long-Term Financial Sustainability Statement	
	Certificate of Accuracy (Long-Term Financial Sustainability Statement)	

MACKAY REGIONAL COUNCIL

Statement of Comprehensive Income
For the year ended 30 June 2013

	Note	2013 Actual $	2012 Actual $
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	188,404,190	173,704,837
Fees and charges	3(b)	30,202,648	23,802,539
Rental income		637,856	850,665
Interest received	3(c)	7,901,869	8,550,643
Sales contracts and recoverable works		10,125,805	9,063,910
Other recurrent income		3,785,321	3,823,915
Grants, subsidies, contributions and donations	4(a)	42,938,014	42,930,395
Total recurrent revenue		283,995,703	262,726,904
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	146,975,309	139,962,113
Total revenue		430,971,012	402,689,017
Capital income		1,561,497	2,940,102
Total income		432,532,509	405,629,119
Expenses			
Recurrent expenses			
Employee benefits	5	(74,162,658)	(67,854,425)
Materials and services	6	(141,906,563)	(126,747,487)
Finance costs	7	(13,840,574)	(13,371,784)
Depreciation and amortisation	8	(61,403,282)	(77,016,483)
Total recurrent expenses		(291,313,077)	(284,990,179)
Capital expenses	9	(26,434,298)	(21,523,921)
Total expenses		(317,747,375)	(306,514,100)
Net result attributable to council		**114,785,134**	**99,115,019**
Items that will not be reclassified to net result			
Net assets and liabilities assumed	14(a)	10,500,181	20,740,602
Increase / (decrease) in asset revaluation surplus	20	6,227,640	165,129,845
Other equity adjustments	14(a)	(15,811,000)	(13,194,771)
Total other comprehensive income for the year		916,821	172,675,676
Total comprehensive income for the year		115,701,955	271,790,695

The above statement should be read in conjunction with the accompanying notes and summary of significant accounting policies.

QAO certified statements

Page 3

MACKAY REGIONAL COUNCIL

Statement of Financial Position
as at 30 June 2013

	Note	2013 Actual $	2012 Actual $	1 July 2011* Actual $
Current assets				
Cash and cash equivalents	10	157,263,533	165,742,009	159,083,962
Trade and other receivables	11	28,395,558	31,616,893	23,325,754
Inventories	12	2,597,428	1,964,303	1,720,495
		188,256,519	199,323,205	184,130,211
Land held for sale	13	1,800,000	1,800,000	680,000
Total current assets		190,056,519	201,123,205	184,810,211
Non-current assets				
Property, plant and equipment	14	3,251,210,545	3,103,073,907	2,816,929,563
Intangible assets	15	2,363,076	1,316,891	1,636,946
Total non-current assets		3,253,573,621	3,104,390,798	2,818,566,509
Total assets		3,443,630,140	3,305,514,003	3,003,376,720
Current liabilities				
Trade and other payables	16	38,653,641	36,091,946	27,824,735
Provisions	17	34,483,232	24,702,367	24,168,764
Borrowings	18	10,866,180	9,761,897	8,019,531
Other liabilities	19	1,048,854	814,747	2,906,077
Total current liabilities		85,051,907	71,370,957	62,919,107
Non-current liabilities				
Trade and other payables	16	-	1,544,667	-
Provisions	17	6,681,884	17,803,738	15,140,814
Borrowings	18	221,381,077	199,981,324	182,294,177
Total non-current liabilities		228,062,961	219,329,729	197,434,991
Total liabilities		313,114,868	290,700,686	260,354,098
Net community assets		**3,130,515,272**	**3,014,813,317**	**2,743,022,622**
Community equity				
Council capital		1,725,263,954	1,615,789,639	1,509,128,789
Asset revaluation surplus	20	1,405,251,318	1,399,023,678	1,233,893,833
Total community equity		**3,130,515,272**	**3,014,813,317**	**2,743,022,622**

* Council has made a retrospective restatement as a consequence of a correction of an error and therefore, in accordance with AASB 101 has presented a Statement of Financial Position as at the beginning of the comparative period i.e. as at 1 July 2011. Details are disclosed in note 14 and 27.

The above statement should be read in conjunction with the accompanying notes and summary of significant accounting policies.

QAO certified statements

Page 4

MACKAY REGIONAL COUNCIL

Statement of Changes in Equity
For the year ended 30 June 2013

	Note	Council capital	Asset revaluation surplus 20	Total
		$	$	$
Balance as at 1 July 2012		1,615,789,639	1,399,023,678	3,014,813,317
Net result attributable to Council		114,785,134	-	114,785,134
Net assets and liabilities assumed		10,500,181	-	10,500,181
Increase / (decrease) in asset revaluation surplus		-	6,227,640	6,227,640
Other equity adjustments		(15,811,000)	-	(15,811,000)
Total comprehensive income for the year		109,474,315	6,227,640	115,701,955
Balance as at 30 June 2013		1,725,263,954	1,405,251,318	3,130,515,272
Balance as at 1 July 2011		1,509,128,789	1,140,557,063	2,649,685,852
Effect of correction of error	27	-	93,336,770	93,336,770
Restated balances		1,509,128,789	1,233,893,833	2,743,022,622
Net result attributable to Council		99,115,019	-	99,115,019
Net assets and liabilities assumed		20,740,602	-	20,740,602
Increase / (decrease) in asset revaluation surplus		-	165,129,845	165,129,845
Other equity adjustments		(13,194,771)		(13,194,771)
Total comprehensive income for the year		106,660,850	165,129,845	271,790,695
Balance as at 30 June 2012		1,615,789,639	1,399,023,678	3,014,813,317

The above statement should be read in conjunction with the accompanying notes and summary of significant accounting policies.

QAO certified statements

Page 5

MACKAY REGIONAL COUNCIL

Statement of Cash Flows
For the year ended 30 June 2013

	Note	2013 Actual $	2012 Actual $
Cash flows from operating activities :			
Receipts from customers		236,467,775	201,089,836
Payments to suppliers and employees		(221,010,019)	(184,530,294)
		15,457,756	16,559,542
Interest received		7,586,449	8,397,937
Non capital grants and contributions		42,938,014	42,930,395
Borrowing costs		(12,719,435)	(11,926,120)
Net cash inflow / (outflow) from operating activities	26	53,262,784	55,961,754
Cash flows from investing activities:			
Payments for property, plant and equipment		(137,734,547)	(140,628,062)
Capital receipts		1,561,497	2,940,102
Proceeds from sale of property plant and equipment		2,379,175	5,318,852
Grants, subsidies, contributions and donations		49,548,579	63,635,888
Net cash inflow / (outflow) from investing activities		(84,245,296)	(68,733,220)
Cash flows from financing activities:			
Proceeds from borrowings		32,933,364	27,389,769
Repayment of borrowings		(10,429,328)	(7,960,256)
Net cash inflow / (outflow) from financing activities		22,504,036	19,429,513
Net increase / (decrease) in cash held		(8,478,476)	6,658,047
Cash at beginning of the financial year		165,742,009	159,083,962
Cash at end of the financial year		**157,263,533**	**165,742,009**

The above statement should be read in conjunction with the accompanying notes and summary of significant accounting policies.

QAO certified statements

Page 6

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

1 Summary of significant accounting policies

1. 1 Basis of preparation

These general purpose financial statements are for the period 1 July 2012 to 30 June 2013 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain non-current assets.

1. 2 Statement of compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

1. 3 Constitution

Mackay Regional Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

1. 4 Date of authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditors for final signature. This is the date the management certificate is signed.

1. 5 Currency

The Council uses the Australian dollar as its functional currency and its presentation currency.

1. 6 Adoption of new and revised Accounting Standards

In the current year Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

	Effective for annual report periods beginning on or after:
AASB 9 *Financial Instruments* (December 2009)	1 January 2015
AASB 10 *Consolidated Financial Statements*	1 January 2013
AASB 11 *Joint Arrangements*	1 January 2013

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

	Effective for annual report periods beginning on or after:
AASB 12 *Disclosure of interest in other entities*	1 January 2013
AASB 13 *Fair Value Measurement*	1 January 2013
AASB 119 *Employee Benefits (completely replaces existing standard)*	1 January 2013
AASB 127 *Separate Financial Statements (replaces the existing standard together with AASB 10)*	1 January 2013
AASB 128 *Investments in Associates and Joint Ventures (replaces the existing standard)*	1 January 2013
AASB 1053 *Application of Tiers of Australian Accounting Standards*	1 July 2013
AASB 1055 Budgetary Reporting	1 July 2014
2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)	1 January 2015
AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*	1 July 2013
AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010)	1 January 2015
AASB 2010-10 *Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters*	1 January 2013
AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements*	1 July 2013
AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements*	1 July 2013
AASB 2011-6 *Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements*	1 July 2013
AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standard*	1 January 2013
AASB 2011-8 *Amendment to Australian Accounting Standards arising from AASB 13*	1 January 2013
AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*	1 January 2013
AASB 2011-11 *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements*	1 July 2013
AASB 2011-12 *Amendments to Australian Accounting Standards arising from Interpretation 20 (AASB 1)*	1 January 2013
AASB 2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]	1 July 2013
AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014
AASB 2012-4 Amendments to Australian Accounting Standards – Government Loans [AASB 1]	1 January 2013

QAO certified statements

	Effective for annual report periods beginning on or after:
AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]	1 January 2013
AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8]	1 January 2013
AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, AASB 12, AASB 101 & AASB 127]	1 July 2013
AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039	1 January 2013
AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	1 January 2013
AASB 2012-11 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, AASB 2, AASB 8, AASB 10, AASB 107, AASB 128, AASB 133, AASB 134 & AASB 2011-4]	1 July 2013
AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	1 July 2014
Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

AASB 9 Financial Instruments (effective from 1 January 2013)

AASB 9, which replaces *AASB 139 Financial Instruments: Recognition and Measurement* , is effective for reporting periods beginning on or after 1 January 2015 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

Management have yet to fully assess the impact that AASB 9 Financial Instruments is likely to have on the financial statements of Council, however had this requirement been adopted at 30 June 2013 management believes that as all financial assets are currently carried at fair value then there would have been no financial impact on the financial statements.

Consolidation Standards

The following accounting standards apply to Mackay Regional Council as from reporting periods beginning on or after 1 January 2014:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 127 Separate Financial Statements
- AASB 128 Investments in Associates and Joint Ventures
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

These standards aim to improve the accounting requirements for consolidated financial statements, joint arrangements and off balance sheet vehicles.

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

The AASB is planning to amend AASB 10. The amendments are expected to clarify how the IASB's principles about control of entities should be applied by not-for-profit entities in an Australian context. Hence, Mackay Regional Council is not yet in a position to reliably determine the future implications of these new and revised standards for the Council's financial statements.

AASB10 redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into another entity's financial statements. Once the AASB finalises its not-for-profit amendments to AASB 10, Mackay Regional Council will reassess the nature of its relationships with other entities, including entities that aren't currently consolidated.

AASB 11 deals with the concept of joint control and sets out new principles for determining the type of joint arrangement that exists, which in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. Subject to any not-for-profit amendments to be made to AASB 11, Mackay Regional Council will need to assess the nature of any arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11.

AASB 13 Fair Value Measurement (AASB 13)

AASB 13 applies to reporting periods beginning on or after 1 January 2013 and will therefore be applied by Council in the 2013/14 reporting period. This standard is not required to be applied retrospectively, therefore there is no impact from the application of AASB 13 to values or other disclosures in the 2012/13 financial statements.

The standard sets out a new definition of "fair value", as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Council's assets and liabilities (excluding leases) that are measured and / or disclosed at fair value or another measurement based on fair value. The key changes will relate to the level of disclosures required.

The Mackay Regional Council has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, the necessary changes will be implemented. While the Council is yet to complete this review, no significant changes are anticipated, based on the fair value methodologies presently used. Therefore, and at this stage, no consequential material impacts are expected for the Mackay Regional Council's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. The recognised fair values will be classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements:

Level 1 - Fair values that reflect the unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 - Fair values that are based on inputs other than quoted prices that are directly or indirectly observable for the asset or liability

Level 3 - Fair values that are derived from data not observable in a market.

To the extent that any fair value measurement for an asset or liability uses data that is not "observable" outside the Council, the amount of information to be disclosed will be relatively greater.

QAO
certified statements

Amendments to AASB 119 Employee Benefits

A revised version of AASB 119 Employee Benefits applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively.

The revised standard includes changed criteria for accounting for employee benefits as "short-term employee benefits".

The concept of "termination benefits" is clarified and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term employee benefits" will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. Mackay Regional Council contributes to the Local Government Superannuation Scheme (Qld) as disclosed in note 22. The revised standard will require Council to make additional disclosures regarding the Defined Benefits Fund element of the scheme.

The reported results and position of the Council will not change on adoption of the other pronouncements as they do not result in any changes to the Council's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Council does not intend to adopt any of these pronouncements before their effective dates.

1. 7 Critical accounting judgements and key sources of estimation uncertainty

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Inventories - note 1.12 and note 12
Valuation and depreciation of property, plant and equipment - note 1.14 and note 14
Impairment of property, plant and equipment - note 1.17 and note 14
Provisions - note 1.21(e), note 1.23 and note 17
Contingent liabilities - note 23

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

1. 8 Revenue

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

(a) Rates and levies

Where rate monies are received prior to the commencement of the rating period, the amount is recognised as revenue in the period in which they are received.

(b) Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. In the financial year ended 30 June 2013, and previous years, an equivalent amount was constrained through internally imposed expenditure restrictions from retained earnings until the funds were expended. Internal restrictions that have been placed on Council's cash and cash equivalents are now disclosed in note 10.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.

(c) Non-cash contributions

Non-cash contributions with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and sewerage infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. The Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

(d) Cash contributions

Developers also pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers and water pollution control works. These infrastructure charges are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with them. Consequently, the infrastructure charges are recognised as revenue when received.

(e) Rental income

Rental revenue is recognised as income on a periodic straight line basis over the lease term.

(f) Interest received

Interest received from term deposits is accrued over the term of the investment.

(g) Sales contracts and recoverable work

Sales of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

The Council generates revenues from a number of services including contracts for water, sewerage and road works. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is recognised as revenue.

QAO
certified statements

(h) Fees and charges

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

1. 9 Financial assets and financial liabilities

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

Mackay Regional Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

Financial assets
Cash and cash equivalents (note 1.10)
Receivables - measured at amortised cost (note 1.11)

Financial liabilities
Payables - measured at amortised cost (note 1.20)
Borrowings - measured at amortised cost (note 1.22)

The fair value of financial instruments is determined as follows:
The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately.

The fair value of borrowings, as disclosed in note 18 to the accounts, is determined by reference to published price quotations in an active market and / or by reference to pricing models and valuation techniques. It reflects the value of the debt if the Council repaid it in full at balance date. As it is the intention of the Council to hold its borrowings for their full term, no adjustment provision is made in these accounts.

The fair value of trade receivables approximates the amortised cost less any impairment. The fair value of payables approximates the amortised cost.

Mackay Regional Council does not recognise financial assets or financial liabilities at fair value in the Statement of Financial Position.

All other disclosures relating to the measurement and financial risk management of financial instruments are included in note 28.

1. 10 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

QAO
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1. 11 Trade and other receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase price / contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

All known bad debts were written-off at 30 June. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

1. 12 Inventories

Stores, raw materials and water held for resale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution (internal consumption) are:
- goods to be supplied at no, or nominal, charge, and
- goods to be used for the provision of services at no, or nominal, charge.

These goods are valued at cost, adjusted when applicable for any loss of service potential.

1. 13 Land held for Sale

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

1. 14 Property, plant and equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Land and infrastructure assets with a total value of less than $1 are treated as an expense in the year of acquisition, along with items of plant and equipment, and buildings with a total value of less than $5,000. All other items of property, plant and equipment are capitalised.

The classes of property, plant and equipment recognised by the Council are reported in note 14.

(a) Acquisition of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

QAO
certified statements

Property, plant and equipment received in the form of physical contributions, are recognised as revenue and assets at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

(b) Capital and operating expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

(c) Valuation

Land and improvements, buildings, major plant and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with *AASB116 Property, Plant and Equipment*. Other plant and equipment and work in progress are measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 5 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years, Council uses internal engineers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with any relevant indices. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land and improvements, buildings and major plant asset classes in the intervening years, management also reviews the asset condition and any relevant indices to see if there was any relevant changes.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound.

Futher details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in note 14.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Details of valuers and methods of valuations are disclosed in note 14(b).

QAO
certified statements

(d) Capital work in progress

The cost of property, plant and equipment being constructed by the Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

(e) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on land improvements and other property, plant and equipment is based on the pattern in which the asset's future economic benefits are expected to be consumed. This may vary from asset to asset, but where appropriate, is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date.

Details of the range of useful lives for each class of asset are shown in note 14(a).

(f) Land under roads

The Mackay Regional Council does not control any land under roads. All land under the road network within the Council area has been dedicated and opened for public use under the Land Act 1994 or the Land Title Act 1994 and is not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

QAO
certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

1. 15 Intangible assets

Intangible assets with a cost exceeding $5,000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council.

Amortisation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where appropriate. Details of the estimated useful lives assigned to each class of intangible assets are shown in note 15.

1. 16 Biological assets

The Council operates a nursery to produce bedding plants and trees for its own use. In view of the immaterial nature of this operation the accounting procedures related to biological assets have not been applied. The costs incurred in this operation are included in Council's general operations as they are incurred.

1. 17 Impairment of non-current assets

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

1. 18 Natural Disaster Event

In 2012 Council experienced the Heavy Rainfall and Flooding, Northern and Far Northern Queensland event which resulted in some damage to Council's roads.

The majority of the costs associated with the 2012 event are funded under the state government's Natural Disaster Relief and Recovery Arrangements (NDRRA). Under these arrangements Mackay Regional Council is required to contribute to each activated natural disaster event up to a maximum trigger point. The trigger point for the 2012 event was $524,820.

No events were triggered within the current financial year.

QAO certified statements

1. 19 Operating leases

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Council has no material operating leases as at 30 June 2013.

1. 20 Trade and other payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase or contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

1. 21 Liabilities - employee benefits

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date.

(a) Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is included in note 16 as a payable.

(b) Annual leave

A liability for annual leave is recognised. Council considers it does not have an unconditional right to defer settlement of the liability therefore all annual leave is classified as a current liability. The portion expected to be settled within one year, based on the expected payment date is calculated on current wage and salary levels and includes related employee on-costs. The portion payable later than one year is calculated on projected future wage and salary levels and related employee on-costs, discounted to present values. The cash flows are discounted using market yields on Commonwealth Government Bonds with terms to maturity that match the expected timing of cash flows. This liability represents an accrued expense and is reported in note 16 as a payable.

(c) Sick leave

Sick leave taken in the future will be met by future entitlements and hence no recognition of accrued sick leave entitlements have been made in these financial statements. No entitlement vests with the employee on termination.

(d) Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in note 24.

(e) Long service leave

A liability for long service leave is recognised. The current portion is the amount eligible for payment at the year end and for which Council does not have an unconditional right to defer settlement. It is calculated on current wage and salary levels and includes related employee on-costs. The non-current portion is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The estimated future cash outflows are discounted using market yields on Commonwealth Government Bonds at the reporting date with terms to maturity that match the expected timing of cash flows.

This liability is reported in note 17 as a provision.

QAO certified statements

1. 22 Borrowings and borrowing costs

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost.

In accordance with the Local Government (Finance, Plans and Reporting) Regulation 2012 Council adopts an annual debt policy that sets out Council's planned borrowings for the current financial year and the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

1. 23 Restoration provision

A provision is made for the cost of restoration in respect of refuse dumps and quarries where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to present values using the ten year average of the Commonwealth Government projected bond yields.

The provision represents the present value of anticipated future costs associated with the closure of these facilities, decontamination and monitoring of historical residues and leaching of refuse dump sites and refilling the basin and reclamation and rehabilitation of quarries. The calculation of these provisions requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. Provisions are reviewed at least annually and updated based on the facts and circumstances available at the time.

Restoration of assets with no probable future economic benefit

Where the restoration site has no probable future economic benefit, the cost of the provisions for restoration of these sites has to be treated as an expense in the year the provision is first recognised. Changes in the provision due to either time, discount rate or expected future cost are treated as an expense or income in the reporting period in which they arise.

Restoration of assets with probable future economic benefit

Where the restoration site has probable future economic benefit, the cost of the restoration provision is added to the cost of the asset as an improvement and amortised over the expected useful life. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus of the asset. If there is no available revaluation surplus, increases in the provision are treated as an expense and recovered out of future decreases if any. Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

1. 24 Council capital

The Council's capital value represents the net carrying value of the capital assets less the amount of capital debt at the reporting date and includes the initial value of operating assets and liabilities recognised at its inception.

The maintenance of the Council's capital capacity is fundamental to its long term sustainability to continue to deliver essential services to the community, it has therefore been separately identified and the change in value is reported in the Statement of Changes in Equity.

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

1. 25 Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.

Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus.

1. 26 Reserves

The Council resolved in June 2012 to hold reserves to meet anticipated future operating and capital needs. These are cash backed reserves which relate to a perceived future requirement which is not currently a liability. These reserves are now treated as internal restrictions and are listed in note 10.

1 27 Joint Venture

Council entered into a joint venture with Economic Development Queensland - EDQ (previously the Urban Land Development Authority - ULDA) to develop and sell lots located at and known as Bedford Road, Andergrove Mackay. In accordance with the partnership agreement, Mackay Regional Council's interest in the joint venture is 50%. Council's share of the distributed profits, assets and liabilities is in accordance with its percentage interest at the time of distribution or winding up.

1. 28 National competition policy

The Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in note 29.

1. 29 Rounding and comparatives

Amounts included in the financial statements have been rounded to the nearest $1.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

1. 30 Trust funds held for outside parties

Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates recovery, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

The monies are disclosed in the notes to the financial statements for information purposes only in note 25.

1. 31 Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

QAO certified statements

The business units pay an income tax equivalent to the Council in accordance with the requirements of the Local Government Act 2009.

Where an activity of the business units of the Council is subject to the National Tax Equivalents Regime, the income tax expense is calculated on the operating surplus adjusted for permanent differences between taxable and accounting income. These transactions are eliminated upon consolidation.

The Council pays payroll tax to the Queensland Government on certain activities.

1. 32 Carbon Pricing

In 2011 the Australian Government introduced a Clean Energy Legislation package. One aspect of this package, which has, and will continue to, impact Council directly and indirectly is the introduction of a pricing mechanism for greenhouse gas emissions in the Australian economy.

The pricing mechanism commenced on 1 July 2012 and set a fixed price path for the first 3 years ($23 per tonne of CO2-equivalent (CO2-e) emissions adjusted in real terms by 2.5 percent per annum) before moving to a flexible price mechanism from 1 July 2015. It provides a framework for setting a cap on greenhouse gas emissions by capping the number of carbon units available once the flexible price period commences, which can be adjusted over time to ensure that the government's reduction targets are met.

Although it is likely that the way this mechanism is priced and / or applies will change due to the change in federal government, Council has prepared its financial statements based on the laws as currently in place. Council did not have operational control of any landfills that accrued liability under the Clean Energy Act during the 2012/13 financial year.

Based on advice from experts, Council understands that it will not exceed the relevant emissions thresholds in the 2013/14 financial year based on the landfill gas collection and flaring facility now in operation. On this basis, Council estimates that it will not be subject to any direct carbon costs as a result of the landfill's emissions in the 2013/14 financial year.

However, a provision for carbon permits is made when waste is received for this facility for processing. The provision is calculated by estimating Council's future carbon costs arising from that waste, and converting the expected cash outflows to present value using government guaranteed securities rates with similar terms.

The estimate of Council's future potential costs is determined by the quantity and types of refuse received, estimated future CO2-e type gas emissions, estimates of likely timing of such emissions, future CO2-e permit prices, and most importantly the cost and potential offset through the collection and flaring of emitted gases and other methods.

Organic material within waste deposited at landfills takes time to begin decomposing. The waste deposited in 2012/13 will only begin to break down and generate emissions at the start of 2013/14. As noted above, the landfill gas collection and flaring facility is expected to keep the emissions levels below the relevant threshold. In any event, the waste will continue to generate emissions over the next 40 years. Council estimates these emissions using the latest national Greenhouse Accounts Factors.

The price/tonne of emissions, after the initial fixed price period has expired, is currently unknown and reliance is placed on the carbon price scenarios included in the Commonwealth Treasury modelling of core policy released July 2011 "Strong growth, low pollution modelling a carbon price" in estimating Council's future liability.

QAO
certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

Council has been indirectly impacted through increased costs arising from the current carbon pricing mechanism. The most significant of these will be electricity and fuel. Commonwealth Treasury modelling published in July 2011 in the document "Strong growth, low pollution modelling a carbon price" indicates that the carbon pricing is expected to increase electricity prices by 10% within 5 years from 1 July 2012 and increase other costs by 0.7% on inflation. In addition fuel tax credits will be progressively reduced over the initial fixed price period.

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

2 Analysis of results by function

(a) Components of Council functions

The activities relating to the Council's components reported on in note 2(b) are as follows :

Corporate Services

Comprises Departmental Management, Human Resources, Financial Services, Procurement and Plant, Information Services, Office of the CEO, Internal Audit, Asset Management, Customer Service, Corporate Communications, Governance, Administration and Councillor Support.

Development Services

Comprises Departmental Management, Strategic Planning, Development Assessment, Business Support, Development Engineering and Health and Regulatory Services.

Community Services

Comprises Departmental Management, Property Services, Community Development and Library Services, Mackay Convention Precinct, Recreation Services, and Economic Development.

Engineering Services

Comprises Departmental Management, Business Services Engineering, Civil Operations, NDRRA, Technical Services, Parks and Environment and Civil Projects.

Water and Waste Services

Comprises Departmental Management, Planning and Sustainability, Infrastructure Delivery, Operations, Waste Services and Business Services.

QAO certified statements

(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2013

Functions	Income				Total income	Expenses		Total expenses	Net result	Assets
	Recurrent		Capital			Recurrent	Capital			
	Grants	Other	Grants	Other						
	2013 $	2013 $	2013 $	2013 $	2013 $	2013 $	2013 $	2013 $	2013 $	2013 $
Corporate Services	10,519,250	92,805,770	218,600	59,994	103,603,614	60,643,136	7,612,133	68,255,269	35,348,345	345,103,717
Development Services	730,630	9,837,585	27,966	-	10,596,181	12,908,096	-	12,908,096	(2,311,915)	48,893
Community Services	1,456,818	9,325,999	721,556	22,727	11,527,100	31,206,350	16,991	31,223,341	(19,696,241)	285,470,214
Engineering Services	30,231,316	12,989,002	99,119,177	1,447,100	143,786,595	97,256,507	11,432,855	108,689,362	35,097,233	1,881,638,609
Water and Waste Services	-	116,099,333	46,888,010	31,676	163,019,019	89,298,988	7,372,319	96,671,307	66,347,712	931,368,707
Total	42,938,014	241,057,689	146,975,309	1,561,497	432,532,509	291,313,077	26,434,298	317,747,375	114,785,134	3,443,630,140

Year ended 30 June 2012

Functions	Income				Total income	Expenses		Total expenses	Net result	Assets
	Recurrent		Capital			Recurrent	Capital			
	Grants	Other	Grants	Other						
	2012 $	2012 $	2012 $	2012 $	2012 $	2012 $	2012 $	2012 $	2012 $	2012 $
Corporate Services	9,402,413	88,046,881	9,091	35,121	97,493,506	70,368,235	1,370,101	71,738,336	24,682,949	384,500,593
Development Services	2,598	7,849,227	17,726	-	7,869,551	10,733,939	-	10,733,939	(2,864,388)	17,179
Community Services	1,603,689	7,171,894	2,761,910	-	11,537,493	23,177,742	200	23,177,942	(11,640,449)	296,929,944
Engineering Services	31,921,695	12,530,949	113,484,888	1,208,969	159,146,501	96,414,619	17,295,925	113,710,544	46,508,178	1,744,267,492
Water and Waste Services	-	104,197,558	23,688,498	1,696,012	129,582,068	84,295,644	2,857,695	87,153,339	42,428,729	879,798,795
Total	42,930,395	219,796,509	139,962,113	2,940,102	405,629,119	284,990,179	21,523,921	306,514,100	99,115,019	3,305,514,003

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

	Note	2013 Actual $	2012 Actual $
3 Revenue analysis			
(a) Rates, levies and charges	1.8(a)		
General rates		98,629,895	92,654,920
Special rates and charges		6,366,564	5,894,270
Water consumption and charges		37,845,394	34,716,716
Sewerage charges		40,440,259	36,546,241
Sewerage trade waste		1,999,725	2,147,340
Garbage charges		19,525,635	17,085,433
Total rates and utility charges revenue		204,807,472	189,044,920
Less: discounts		(14,706,199)	(13,705,769)
Less: pensioner and other remissions		(1,697,083)	(1,634,314)
		188,404,190	173,704,837
(b) Fees and charges	1.8(h)		
Application fees		9,224,010	7,216,979
Licence fees and registrations		1,811,735	1,777,722
Fines and penalties		412,329	403,475
Venues, events and cultural fees		4,743,081	2,313,766
Waste and recycling fees		9,656,249	8,390,131
Other fees and charges		4,355,244	3,700,466
		30,202,648	23,802,539
(c) Interest received	1.8(f)		
Interest on investments		7,307,206	8,013,612
Interest from overdue rates and utility charges		594,663	537,031
		7,901,869	8,550,643
4 Grants, subsidies, contributions and donations	1.8(b)		
(a) Recurrent			
General purpose grants		6,294,739	8,683,504
Government grants and subsidies		36,042,365	33,921,947
Non-government grants and subsidies		-	11,045
Donations		261,412	313,899
Contributions		339,498	-
		42,938,014	42,930,395
(b) Capital			
Government grants and subsidies		14,517,098	34,934,685
Contributions	1.8(d)	35,031,481	28,701,203
		49,548,579	63,635,888
Donated assets recognised as income during the reporting period:			
Developer assets contributed by developers at fair value	1.8(c)	97,219,130	76,326,225
Other physical assets contributed at fair value		207,600	-
		97,426,730	76,326,225
		146,975,309	139,962,113

QAO certified statements

Page 25

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

	Note	2013 Actual $	2012 Actual $
5 Employee benefits			
Total staff wages and salaries		60,431,462	54,586,575
Councillor's remuneration		1,069,151	1,111,382
Annual, sick and long service leave entitlements		12,788,436	11,654,383
Superannuation	24	7,110,194	6,747,484
		81,399,243	74,099,824
Other employee related expenses		107,297	262,207
		81,506,540	74,362,031
Less: capitalised employee costs		(7,343,882)	(6,507,606)
		74,162,658	67,854,425
6 Materials and services			
Advertising and marketing		1,536,288	1,296,835
Audit services		268,454	338,726
Communications and IT		1,603,134	1,506,430
Consultants		5,449,494	3,133,727
Contractors		64,197,117	58,839,165
Donations, grants and subsidies		1,356,408	1,372,660
Electricity		5,907,855	5,918,802
Equipment and hire fees		3,558,017	3,031,402
Fuel		2,614,424	2,248,777
Legal fees		2,468,349	1,818,784
Insurance		2,700,603	2,244,442
Rates and charges		1,935,535	1,972,396
Registrations and subscriptions		1,953,016	1,902,697
Repairs and maintenance		41,119,716	25,566,333
Other materials and services		5,238,153	15,556,311
		141,906,563	126,747,487
Audit services include:			
Audit of annual financial statement by the Auditor-General of Queensland		196,672	224,706
Other audit services:			
Australian Asbestos Management		-	10,132
BDO		48,163	86,938
Brown & Bird		2,100	-
CSM Safety Services		15,250	-
PricewaterhouseCoopers		-	16,950
Strategic Asset		6,269	-
		268,454	338,726

Other audit services include audits in regards to work place health & safety, taxation obligations, and other services.

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

		Note	2013 Actual $	2012 Actual $
7	**Finance costs**			
	Finance costs charged by Queensland Treasury Corporation		12,719,435	11,926,120
	Bank charges		372,362	292,232
	Impairment of receivables		485,086	314,221
	Refuse restoration - change in present value over time		247,233	771,911
	Quarry restoration - change in present value over time		16,458	67,300
			13,840,574	13,371,784
8	**Depreciation and amortisation**	1.14(e)		
	Depreciation of non-current assets			
	Site improvements		1,493,371	1,423,290
	Buildings		2,032,484	2,054,822
	Plant and equipment		4,355,673	4,291,590
	Roads, drainage and bridge works		32,314,633	52,407,640
	Water		9,066,001	6,268,548
	Sewerage		9,015,185	8,530,084
	Waste infrastructure		2,369,539	1,425,330
	Heritage and cultural assets		35,458	27,224
		14(a)	60,682,344	76,428,528
	Amortisation of intangible assets			
	Computer software		720,938	587,955
		15	720,938	587,955
	Total depreciation and amortisation		61,403,282	77,016,483
9	**Capital expenses**			
	Gain (loss) on the disposal of non-current assets			
	Proceeds from the sale of plant and equipment		2,379,175	2,279,024
	Less: book value of plant and equipment sold	14(a)	(3,290,416)	(2,543,523)
			(911,241)	(264,499)
	Proceeds from the sale or disposal of land		-	3,039,828
	Less: book value of land sold or disposed	14(a)	(1,690,347)	(4,129,974)
			(1,690,347)	(1,090,146)
	Proceeds from the disposal of infrastructure		-	-
	Less: book value of infrastructure write-offs or disposals	14(a)	(23,826,578)	(20,169,276)
			(23,826,578)	(20,169,276)
	Gain (loss) on the disposal of intangibles			
	Proceeds from the disposal of intangibles	15	-	-
	Less: book value of intangibles write-offs or disposals		(6,132)	-
			(6,132)	-
			(26,434,298)	(21,523,921)

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

		Note	2013 Actual $	2012 Actual $
10	**Cash and cash equivalents**	1.10		
	Cash in operating bank account		(8,131,925)	5,719,104
	Cash on hand		16,112	25,602
	Deposits at call		165,379,346	159,997,303
			157,263,533	165,742,009

Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Unspent government grants and subsidies	23,359,335	43,772,280
Unspent loan monies	4,128,310	7,910,343
Total external unspent restricted cash	27,487,645	51,682,623

Internally imposed expenditure restrictions at the reporting date held in various reserves for management purposes. (Note* - these figures also include total external unspent restricted cash identified above).

Total internal unspent restricted cash	120,726,889	129,994,943

11	**Trade and other receivables**	1.11		
	Current			
	Rates and utility charges		9,438,489	7,550,748
	Interest receivable		1,105,634	790,213
	GST recoverable		5,108,266	2,691,037
	Other debtors		12,999,216	20,457,801
	Less: provision for impairment of debt		(1,939,854)	(1,530,535)
			26,711,751	29,959,264
	Prepayments		1,683,807	1,657,629
	Total trade and other receivables		28,395,558	31,616,893

Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts. For this reason Council does not generally impair any rate receivables however due to ownership complexities on a particular property Council elected in 2010 to recognise a provision for impairment of debt which currently amounts to $1,874,645 (2012: $1,503,932).

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

QAO certified statements

Page 28

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

		Note	2013 Actual $	2012 Actual $
12	**Inventories**	1.12		
	Inventories held for sale:			
	Treated water		240,325	246,481
	Miscellaneous saleable items		105,558	102,603
			345,883	349,084
	Inventories for internal use:			
	Plant and equipment stores		897,471	861,556
	Stockpile inventory		1,354,074	753,663
			2,251,545	1,615,219
	Total inventories		2,597,428	1,964,303
13	**Land held for sale**	1.13		
	Opening balance at valuation		1,800,000	680,000
	Transfer from (to) other non-current asset category		-	1,120,000
	Disposals		-	-
			1,800,000	1,800,000

Council has approved a decision to sell the Ergon building and subsequent to the building being declared as land held for sale, a contract for sale has been entered into which will be finalised in the 2013/2014 financial year.

The land is valued at the lower of carrying value and fair value less cost to sell.

QAO certified statements

Page 29

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

14 (a) Property, plant and equipment

	Land	Site improvements	Buildings	Plant and equipment	Heritage and cultural assets	Roads, bridge and drainage network	Water	Sewerage	Waste infrastructure	Works in progress	Total
Basis of measurement	Valuation	Valuation	Valuation	Cost	Valuation	Valuation	Valuation	Valuation	Valuation	Cost	
	2013 $	2013 $	2013 $	2013 $	2013 $	2013 $	2013 $	2013 $	2013 $	2013 $	2013 $
Asset Values											
Opening gross value	277,734,638	57,542,453	178,722,054	49,619,944	2,333,775	1,807,203,978	507,006,129	576,221,793	32,358,010	149,711,402	3,638,454,176
Additions	-	-	-	-	-	-	-	-	2,932,872	137,734,547	140,667,419
Contributed assets at valuation	11,000	-	-	-	207,600	70,648,074	12,341,545	14,218,511	-	-	97,426,730
Assets not previously recognised*	-	-	-	-	302,528	10,239,743	624,304	1,364,463	-	-	12,531,038
Disposals	(1,690,347)	-	-	(5,329,107)	-	-	-	-	-	-	(7,019,454)
Write-offs	-	(148,827)	(5,858,919)	-	-	(12,149,978)	(6,646,126)	(1,956,938)	(3,498,786)	-	(30,259,572)
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	-	36,538,560	8,045,986	-	-	(1,244,114)	(1,171,528)	(2,576,179)	6,546,591	-	46,139,716
Other equity adjustments**	(15,811,000)	-	-	-	-	-	-	-	-	-	(15,811,000)
Transfers between classes	6,113,821	1,807,806	3,521,054	8,961,334	72,000	59,315,368	52,945,940	17,635,189	12,685,429	(164,850,126)	(1,792,185)
Closing gross value	266,358,112	95,739,992	184,430,175	53,252,171	2,915,903	1,934,013,071	565,100,266	604,906,839	51,024,516	122,595,823	3,880,336,868
Accumulated depreciation and impairment											
Opening balance	-	6,873,082	20,012,888	13,673,682	136,400	174,928,683	157,365,340	144,057,526	18,332,668	-	535,380,269
Depreciation provided in period	-	1,493,371	2,032,484	4,355,673	35,458	32,314,633	9,066,001	9,015,185	2,369,539	-	60,682,344
Depreciation on assets not previously recognised*	-	-	-	-	-	1,597,894	239,490	193,473	-	-	2,030,857
Depreciation on disposals	-	-	-	(2,038,691)	-	-	-	-	-	-	(2,038,691)
Depreciation on write-offs	-	(33,560)	(967,827)	-	-	(806,236)	(3,592,291)	(683,892)	(349,189)	-	(6,432,995)
Revaluation adjustment to asset revaluation surplus	-	8,702,994	30,329,295	-	-	-	-	-	491,180	-	39,523,469
Other equity adjustments**	-	-	-	-	-	-	-	-	-	-	-
Transfers between classes	-	-	-	(18,930)	-	-	-	-	-	-	(18,930)
Closing accumulated depreciation	-	17,035,887	51,406,840	15,971,734	171,858	208,034,974	163,078,540	152,582,292	20,844,198	-	629,126,323
Net value at 30 June 2013	266,358,112	78,704,105	133,023,335	37,280,437	2,744,045	1,725,978,097	402,021,726	452,324,547	30,180,318	122,595,823	3,251,210,545
Residual Value	-	19,636,723	43,053,785	15,240,391	74,899	414,368,528	4,959,602	426,222	2,213,184		
Range of estimated useful life in years	Land not depreciated	5-100	10-100	3-50	35-100 Artwork not depreciated	10-140	10-100	3-100	5-100		
Additions comprise											
Infrastructure renewals	-	-	-	-	-	-	-	-	-	51,993,091	51,993,091
Other additions	-	-	-	-	-	-	-	-	2,932,872	85,741,456	88,674,328
Total additions	-	-	-	-	-	-	-	-	2,932,872	137,734,547	140,667,419

* Assets not previously recognised
As part of ongoing asset data improvements, additional assets not previously recognised were identified and brought to account This resulted in a net adjustment of $10,500,181 which is considered immaterial against Council capital and property, plant and equipment balances hence no adjustment has been made against comparative figures or has been disclosed as a prior period error as required under AASB108 Accounting Policies, Changes in Accounting Estimates and Errors

** Other equity adjustments
Land - Council recognised some land parcels in 2011 as not previously recognised assets For several parcels of this land, it was identified that a duplication occurred as the assets were also recorded in capital work in progress or in the land asset register

If these errors had been accounted for properly in the past, they would have been recorded in determining the net surplus in previous years which would be included in Council capital this year and consequently Council have adjusted these against Council capital Given the total adjustment required was $15,811,000, Council has not adjusted any of the comparative figures or completed the prior period error disclosure as required under AASB108 Accounting Policies, Changes in Accounting Estimates and Errors as it has determined that the adjustment is immaterial to both Council capital and Property, plant and equipment balances.

QAO certified statements

Notes to the Financial Statements
For the year ended 30 June 2013

14 (a) Property, plant and equipment

		Land	Site improvements	Buildings	Plant and equipment	Heritage and cultural assets	Roads, bridge and drainage network	Water	Sewerage	Waste infrastructure	Works in progress	Total
Basis of measurement		Valuation	Valuation	Valuation	Cost	Valuation	Valuation	Valuation	Valuation	Valuation	Cost	
		2012 $	2012 $	2012 $	2012 $	2012 $	2012 $	2012 $	2012 $	2012 $	2012 $	2012 $
Asset Values												
Opening gross value		279,357,804	52,636,403	157,817,868	44,499,048	2,320,171	1,524,822,339	513,331,328	560,602,015	17,491,923	154,291,540	3,307,170,439
Adjustment to opening value	27	-	-	-	-	-	125,282,380	-	-	-	-	125,282,380
Additions		-	-	-	-	-	-	-	-	-	140,628,062	140,628,062
Contributed assets at valuation		-	-	-	-	-	66,661,571	4,376,244	5,288,410	-	-	76,326,225
Assets not previously recognised		-	265,324	124,793	-	-	24,545,407	330,100	1,805,239	19,769,466	-	46,821,329
Disposals		(4,129,974)	-	-	(4,162,610)	-	-	-	-	-	-	(8,292,584)
Write-offs		-	(80,000)	-	-	-	(21,347,021)	(1,792,279)	(2,405,389)	(5,389,003)	-	(31,013,692)
Assets classified as held for sale		(1,120,000)	-	-	-	-	-	-	-	-	-	(1,120,000)
Revaluation adjustment to asset revaluation surplus		-	882,947	-	-	-	38,280,581	(48,680,361)	6,934,367	485,624	-	(2,096,842)
Other equity adjustments*		(1,055,000)	-	-	-	-	(13,928,241)	-	-	-	-	(14,983,241)
Transfers between classes		4,681,808	3,856,779	20,779,393	9,283,506	13,604	62,886,962	39,441,097	3,997,151	-	(145,208,200)	(267,900)
Closing gross value		277,734,638	57,542,453	178,722,054	49,619,944	2,333,775	1,807,203,978	507,006,129	576,221,793	32,358,010	149,711,402	3,638,454,176
Accumulated depreciation and impairment												
Opening balance		-	4,872,292	18,369,042	11,001,179	109,176	175,359,496	204,359,419	166,980,167	2,526,875	-	583,577,646
Adjustment to opening value	27	-	-	-	-	-	31,945,610	-	-	-	-	31,945,610
Depreciation provided in period		-	1,423,290	2,054,822	4,291,590	27,224	52,407,640	6,268,548	8,530,084	1,425,330	-	76,428,528
Depreciation on assets not previously recognised		-	265,324	-	-	-	5,398,989	209,526	456,422	19,769,466	-	26,080,727
Depreciation on disposals		-	-	-	(1,619,087)	-	-	-	-	-	-	(1,619,087)
Depreciation on write-offs		-	(79,800)	-	-	-	(4,051,095)	(1,059,430)	(265,088)	(5,389,003)	-	(10,844,416)
Revaluation adjustment to asset revaluation surplus		-	-	-	-	-	(84,343,487)	(52,412,723)	(31,644,059)	-	-	(168,400,269)
Other equity adjustments*		-	-	-	-	-	(1,788,470)	-	-	-	-	(1,788,470)
Transfers between classes		-	410,976	(410,976)	-	-	-	-	-	-	-	-
Closing accumulated depreciation		-	6,873,082	20,012,888	13,673,682	136,400	174,928,683	157,365,340	144,057,526	18,332,668	-	535,380,269
Net value at 30 June 2012		277,734,638	50,669,371	158,709,166	35,946,262	2,197,375	1,632,275,295	349,640,789	432,164,267	14,025,342	149,711,402	3,103,073,907
Residual Value		-	10,133,986	81,904,054	15,217,177	45,846	334,792,714	4,879,000	292,800	428,716		
Range of estimated useful life in years		Land not depreciated	5-100	20-100	3-20	20 Artwork not depreciated	12-100	15-100	15-80	30-100		

* Other equity adjustments
This year Council transferred infrastructure assets and land assets to a new Asset Management System. During the course of the transfer a thorough review of asset records was undertaken resulting in some data cleansing adjustments.

Land - Council recognised some land parcels in 2011 as not previously recognised assets. For two parcels of this land, it was identified that a duplication occurred as the assets were also recorded in capital work in progress.

Roads, bridge and drainage network - It was identified that a number of old assets were not disposed of correctly in relation to the 2009/2010, 2010/2011 financial years. This has resulted in a duplication of roads.

If these errors had been accounted for properly in the past, they would have been recorded in determining the net surplus in previous years which would be included in Council capital this year and consequently Council have adjusted these against Council capital. Given the total adjustment required was $13,194,771, Council has not adjusted any of the comparative figures or completed the prior period error disclosure as required under AASB108 Accounting Policies, Changes in Accounting Estimates and Errors as it has determined that the adjustment is immaterial to both Council capital and Property, plant and equipment balances.

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

14 (b) Property, plant and equipment valuations were determined by reference to the following:

Land
Assets on hand at 15 March 2008 are included at their current market value at 30 June 2009 as determined by Australian Pacific Valuers. Additional assets acquired from 15 March 2008 to 30 June 2013 have been recognised at their cost, which has been determined to approximate their fair value. An external review of indices was carried out at 30 June 2011, and management believe there has been no subsequent material movement for 2013, hence no valuation adjustments were undertaken.

Land under infrastructure and reserve land does not have a value for the purpose of Mackay Regional Council's financial statements.

Site improvements
Site improvement assets on hand as of 30 June 2013 are included at their written down current replacement cost as determined by independent registered valuers, Assetic Pty Ltd.

Between late 2012 and mid 2013 all assets were visually inspected to determine asset attribute quantities and conditions. These conditions were in turn used to reflect the remaining life of the assets. The methodologies used to determine useful lives includes an independent review with industry recommendations / neighbouring councils and the International Infrastructure Management Manual.

The data sources employed by Assetic Pty Ltd to determine the appropriate unit rates includes published rates (such as reference guides by Rawlinson's Australian Construction Handbook 2013 and Cordell's E-Costing Website), actual rates for similar work done by Council's Depot and actual rates for similar work performed by contractors for Council.

Condition was assessed using the following table:

Phase Points	Description
0	New or very good condition – very high level of remaining service potential.
1	Not new but in very good condition with no indicators of any future obsolescence and providing a high level of remaining service potential.
2	Aged and in good condition, providing an adequate level of remaining service potential. No signs of immediate or short term obsolescence.
3	Providing an adequate level of remaining service potential but there are some concerns over the asset's ability to continue to provide an adequate level of service in the short to medium term. May be signs of obsolescence in short to mid-term.
4	Indicators showing the need to renew, upgrade or scrap in the near future. Should be reflected by inclusion in the Capital Works Plan to renew or replace in short-term. Very low level of remaining service potential.
5	At intervention point. No longer providing an acceptable level of service. If remedial action is not taken immediately the asset will need to be closed or decommissioned.
End of Life	Theoretical end of life.

QAO certified statements

Buildings
Building assets were comprehensively revalued at their written down replacement cost as at 30 June 2013 by independent registered valuers, Assetic Pty Ltd. The methodologies employed for Buildings valuation is the same as those listed above for Site Improvements.

The revaluation process included reviewing residual values to ensure they reflect Council's practices to renew and construct assets, which resulted in residuals decreasing by approximately 50%. This is reflected in the considerable adjustment to accumulated depreciation.

Condition was assessed using the same table as that identified for Site Improvements.

Plant and equipment
Other plant and equipment is measured at original cost less accumulated depreciation.

Heritage & cultural assets
Artworks (paintings) -
Assets on hand at 15 March 2008 are included at their written down current replacement cost at 30 June 2009 as determined by Grahame Galleries and Editions. Additional assets acquired from 15 March 2008 to 30 June 2013 have been recognised at their cost, which has been determined to approximate their fair value.

Art other (sculptures, street art) -
Assets on hand at 15 March 2008 are included at their written down current replacement cost at 30 June 2009 as determined by Bettina MacAulay. Additional assets acquired from 15 March 2008 to 30 June 2013 have been recognised at their cost, which has been determined to approximate their fair value.

Infrastructure
Road, bridges and drainage infrastructure
The fair value of road, bridge and drainage infrastructure as at 30 June 2012 was based on a 3% indices increase applied to all road class assets as determined by Australian Pacific Valuers (APV), independent registered valuers. Road assets acquired from 1 July 2012 were recognised at cost and at unit rate value (in the event they were donated or not previously recognised). Management has determined these are appropriate measurements to recognise fair value.

Average $/m2 for each of the key components were:

	Sealed Roads	Unsealed Roads
	$	$
Formation	3.53	3.30
Pavement	30.93	27.67
Sub Pavement	35.06	38.93
Surface	38.26	n/a

Condition was assessed using the same table as that identified for Site Improvements.

The last independent valuation was carried out by APV on 30 June 2011.

QAO certified statements

Water and sewerage infrastructure
Assets on hand at 1 July 2011 were valued at their written down current replacement cost as determined by independent valuers AssetVal Pty Ltd. Additional assets acquired from 2 July 2011 to 30 June 2013 have been recognised at cost or unit rates (in the event they were donated or not previously recognised), which has been determined to approximate their fair value.

Average cost per water main - $313.58 per linear metre
Average cost per sewer main - $364.75 per linear metre
Average cost per sewer manhole - $4,599.57

Waste infrastructure
Assets on hand at 30 June 2012 are included at their written down current replacement cost at 30 June 2013 as determined by independent registered valuers, Assetic Pty Ltd. Additional assets acquired from 1 July 2012 to 30 June 2013 have been recognised at their cost, which has been determined to approximate their fair value. The methodologies employed for Waste valuation is the same as those listed above for Site Improvements.

QAO
certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

		Note	2013 Actual $	2012 Actual $
15	**Intangible assets**	1.15		
	Computer software			
	Opening gross carrying value		3,505,988	3,238,088
	Write-offs		(10,000)	-
	Transfer from / (to) other non-current asset category		1,792,185	267,900
	Closing gross carrying value		5,288,173	3,505,988
	Accumulated amortisation			
	Opening balance		2,189,097	1,601,142
	Amortisation in the period		720,938	587,955
	Depreciation on write-offs		(3,868)	-
	Transfer from / (to) other non-current asset category		18,930	-
	Closing balance		2,925,097	2,189,097
	Net carrying value at end of financial year		2,363,076	1,316,891

The computer software has a finite life of 5 years. Straight line amortisation has been used with no residual value.

16	**Trade and other payables**	1.20		
	Current			
	Creditors and accruals		29,697,858	27,507,373
	Annual leave		6,668,270	6,351,974
	Other Entitlements		742,846	687,932
	Other Liabilities		1,544,667	1,544,667
			38,653,641	36,091,946
	Non-current			
	Other Liabilities		-	1,544,667
			-	1,544,667
	Total Trade and Other Payables		38,653,641	37,636,613

Current employee benefit expenses are calculated on current wage and salary levels and includes related employee on-costs. Council considers it does not have an unconditional right to defer settlement of the liability therefore all annual leave is classified as a current liability. The portion payable later than one year, estimated at $1,820,987 is calculated on projected future wage and salary levels and related employee on-costs, discounted to present values. Further details on employee entitlements are reported in note 1.21.

Other Liabilities recognises Council's outstanding contribution to the Department of Main Roads for Water and Sewer works associated with the construction of the Forgan Bridge ($1,544,667).

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

	Note	2013 Actual $	2012 Actual $
17 Provisions			
Current			
Refuse restoration	1.23	28,376,575	19,364,022
Long service leave	1.21(e)	6,106,657	5,338,345
		34,483,232	24,702,367
Non-current			
Refuse restoration	1.23	2,932,874	14,103,631
Quarry restoration	1.23	2,005,871	2,017,946
Long service leave	1.21(e)	1,743,139	1,682,161
		6,681,884	17,803,738

Long service leave benefits are calculated in accordance with Council's obligations. The apportionment of current liability reflects the latest estimates around Council's ability to defer settlement and leave probability calculations. The portion estimated to be payable during the year is $1,534,690, based on an average of previous years long service leave expenses. Estimates are reviewed and adjusted annually as a result of change in circumstance and or new information. Further details on employee entitlements are reported in note 1.21.

Details of movements in provisions:

Refuse restoration		
Balance at beginning of financial year	33,467,653	31,533,918
Increase in provision - change in present value over time	247,233	771,911
Increase in provision - due to change in future cost		
Funded by asset revaluation surplus	417,139	537,382
Expensed during the year - included in repairs and maintenance	-	6,013,445
Additional provisions raised during the year	2,932,872	-
Decrease in provision		
Write-offs through remediations	(3,251,596)	(5,389,003)
Change in estimate	(2,503,852)	-
Balance at the end of financial year	31,309,449	33,467,653

This is the present value of the estimated future cost of restoring the refuse sites under the State Government Environmental Regulations at the end of its useful life. The projected cost is $38,300,205 and this cost is expected to be incurred between 2013 and 2050 after closing the sites and allowing a period for settlement.

Quarry restoration		
Balance at beginning of financial year	2,017,946	1,314,446
Increase in provision - change in present value over time	16,458	67,300
Increase in provision - due to change in future cost		
Funded by asset revaluation surplus	(28,533)	636,200
Balance at the end of financial year	2,005,871	2,017,946

This is the present value of the estimated future cost of restoring the quarry sites under the State Government Environmental Regulations at the end of its useful life. The projected cost is $3,954,467 and this cost is expected to be incurred between 2015 and 2057.

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

		Note	2013 Actual $	2012 Actual $
17	**Provisions (Continued)**			
	Long service leave			
	Balance at beginning of financial year		7,020,506	6,461,214
	Amount provided for in the period		1,585,567	1,483,814
	Amount paid in the period		(756,277)	(924,522)
	Balance at the end of financial year		7,849,796	7,020,506
18	**Borrowings**	1.22		
	Current			
	Loans - Queensland Treasury Corporation		10,558,180	9,761,897
	Loans - Department of Local Government, Community Recovery and Resilience		308,000	-
			10,866,180	9,761,897
	Non-current			
	Loans - Queensland Treasury Corporation		219,225,077	197,209,324
	Loans - Department of Local Government, Community Recovery and Resilience		2,156,000	2,772,000
			221,381,077	199,981,324
	Loans - Queensland Treasury Corporation			
	Opening balance at beginning of financial year		206,971,221	187,541,708
	Loans raised		32,933,364	27,389,769
	Principal repayments		(10,121,328)	(7,960,256)
	Book value at end of financial year		229,783,257	206,971,221
	Loans - Department of Local Government, Community Recovery and Resilience			
	Opening balance at beginning of financial year		2,772,000	2,772,000
	Loans raised		-	-
	Principal repayments		(308,000)	-
	Book value at end of financial year		2,464,000	2,772,000

All borrowings are in Australian dollars and carried at amortised cost with interest being expensed as it accrues, excluding the Loans - Department of Local Government, Community Recovery and Resilience which is a non-interest bearing borrowing. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from June 2017 to June 2033. There have been no defaults or breaches of the loan agreement during the period.

The loan market value at the reporting date was $247,107,512. This represents the value of the debt if Council repaid it all on that date. As it is the intention of Council to hold the debt for its full term, no provision is required to be made in these accounts.

19	**Other liabilities**			
	Unearned revenue		1,048,854	814,747

This amount comprises revenue that has been unearned or unallocated at financial year end. Components in this amount can include but are not limited to unearned or unallocated fees and charges eg ticket sales, prepaid annual licences and rental or lease agreements.

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

	Note	2013 Actual $	2012 Actual $
20 Asset revaluation surplus	1.25		
Movements in the asset revaluation surplus were as follows:			
Balance at beginning of financial year		1,399,023,678	1,140,557,063
Adjustment to opening value		-	93,336,770
Net adjustment to non-current assets at end of financial year to reflect a change in current fair value:			
Site improvements		27,804,965	-
Buildings		(22,283,309)	-
Roads, bridge and drainage network		(1,244,114)	122,624,068
Water		(1,171,528)	3,732,362
Sewerage		(2,576,179)	38,578,426
Waste infrastructure		5,469,154	-
		5,998,989	164,934,856
Change in value of future rehabilitation costs charged to the reserve			
Site improvements		30,601	882,947
Waste infrastructure		586,656	485,624
Change in value of future restoration asset funded by the reserve			
Site improvements		28,533	(636,200)
Waste infrastructure		(417,139)	(537,382)
		6,227,640	165,129,845
Balance at end of financial year		1,405,251,318	1,399,023,678
Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus comprises the following asset categories:			
Land		140,972,871	140,972,871
Site improvements		31,159,964	3,295,865
Buildings		7,051,996	29,335,305
Roads, bridge and drainage network		928,673,165	929,917,279
Water		129,600,104	130,771,632
Sewerage		162,087,999	164,664,178
Waste infrastructure		5,638,671	-
Heritage & cultural assets		66,548	66,548
		1,405,251,318	1,399,023,678

21 Events after balance date

Council agreed to financial assistance for the daily operations of Virgin Australia Stadium on 13 June 2013. Operating expenses for the future are estimated at $200,000 a year.

As the transfer of the stadium asset to Council will not occur until the 2014 financial year, it does not form part of the asset value in these financial statements. The value of the stadium is estimated at $11.3 million.

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

	Note	2013 Actual $	2012 Actual $
22 Commitments for expenditure			
Contractual commitments			
Contractual commitments at balance date but not recognised in the financial statements are as follows:			
Disposal of garbage and solid waste		55,544,779	59,940,423
Flood damage repairs		942,354	35,478,031
		56,487,133	95,418,453
These expenditures are payable :			
Within one year		17,043,534	42,712,607
Later than 1 year but not later than 5 years		39,443,599	50,164,678
Later than 5 years		-	2,541,168
		56,487,133	95,418,453
Capital commitments			
Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities are as follows:			
Buildings		34,505	403,096
Infrastructure		61,128,141	28,824,599
Other assets		13,868	-
		61,176,514	29,227,695
These expenditures are payable :			
Within one year		61,176,514	24,258,883
Later than 1 year but not later than 5 years		-	4,968,812
Later than 5 years		-	-
		61,176,514	29,227,695

23 Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

Department of Families, Housing, Community Services and Indigenous Affairs

Council agreed to act as guarantor for a development project under the Housing Affordability Fund Program. The guarantee provides for affordable housing to be developed and sold at a discount on market rates.

Council's maximum exposure to the bank guarantee is:	8,000,000	8,000,000

Local Government Mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. As at 30 June 2012 the financial statements reported an accumulated surplus of $14,173,836 and it is not anticipated any liability will arise.

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

	Note	2013 Actual $	2012 Actual $

23 Contingent liabilities (Continued)

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise.

Council's maximum exposure to the bank guarantee is:		2,938,643	2,375,509

24 Superannuation

The Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard *AASB119 Employee Benefits.*

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The scheme has three elements referred to as:

- The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund
- The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and
- The Accumulation Benefits Fund (ABF)

The DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs.

The Regional DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

The audited general purpose financial report of the scheme as at 30 June 2012 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2012. The actuary indicated that "the Regional DBF is currently in a satisfactory but modest financial position and remains vulnerable to adverse short and medium term experience."

Following the previous actuarial assessment in 2009, councils were advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of Regional DBF members. In the 2012 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

	Note	2013 Actual $	2012 Actual $
24 Superannuation (Continued)			
Under the Local Government Act 2009 the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.			
The next actuarial investigation will be made as at 1 July 2015.			
The amount of superannuation contributions paid by Mackay Regional Council to the scheme in this period for the benefit of employees was:		7,110,194	6,747,484
25 Trust funds	1.30		
Security deposits		4,522,620	4,130,941
Mackay Artspace Gift Fund		5,009	3,883
		4,527,629	4,134,824
Mackay Regional Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements.			
26 Reconciliation of net result attributable to council to net cash flow from operating activities			
Net result attributable to council		114,785,134	99,115,019
Non-cash operating items:			
Depreciation and amortisation	8	61,403,282	77,016,483
Change in restoration provisions expensed to finance costs		263,691	839,211
		61,666,973	77,855,694
Investing and development activities:			
Capital grants, subsidies and contributions	4	(146,975,309)	(139,962,113)
Capital income		(1,561,497)	(2,940,102)
Capital expenses	9	26,434,298	21,523,921
		(122,102,508)	(121,378,294)
Changes in operating assets and liabilities :			
(Increase) decrease in receivables		3,221,336	(8,291,139)
(Increase) decrease in inventories (excluding land)		(633,125)	(243,808)
Increase (decrease) in payables		(4,738,423)	10,436,320
Increase (decrease) in provisions		829,290	559,292
Increase (decrease) in other liabilities		234,107	(2,091,330)
		(1,086,816)	369,335
Net cash inflow from operating activities		53,262,784	55,961,754

QAO certified statements

Page 41

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

	Note	2013 Actual $	2012 Actual $

27 *Correction of error*

In the process of reviewing Council's assets at 30 June 2013, it was discovered that certain roads had been identified as having a zero value in the asset register. This error has been corrected by adjusting the opening balances at 1 July 2011 and the comparative amount for 2011 / 2012. The adjustments are as follows:

	As at 30 June 2012	As at 1 July 2011
Gross value of roads added	125,282,380	125,282,380
Accumulated depreciation	(33,017,831)	(31,945,610)
Net value	92,264,549	93,336,770

	Period ended 30 June 2013	Period ended 30 June 2012
Increase in depreciation charge	-	1,072,221
Decrease in net result attributable to council	-	1,072,221
Increase in property, plant and equipment	-	92,264,549
Increase in retained surplus	-	92,264,549

The depreciation charge for the period ended 30 June 2013 was calculated after the error was discovered and therefore did not need correction.

A restated Statement of Financial Position has been included in the financial statements as at 1 July 2011.

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

28 Financial instruments

Mackay Regional Council has exposure to the following risks arising from financial instruments:
- credit risk
- liquidity risk
- market risk

This note provides information (both qualitative and quantitative) to assist statement users evaluate the significance of financial instruments on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

Financial risk management

Mackay Regional Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's enterprise risk management committee approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

Mackay Regional Council does not enter into derivatives.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state/ commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by Mackay Regional Council.

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

	Note	2013	2012
Financial assets		**$**	**$**
Cash and cash equivalents	10	157,247,421	165,716,407
Receivables - rates	11	9,438,489	7,550,748
Receivables - other	11	17,273,262	22,408,516
Other credit exposures			
Guarantees	23	10,938,643	10,375,509
Total financial assets		194,897,815	206,051,180

Cash and cash equivalents

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

The Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

Trade and other receivables
In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of defaults.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of the Councils operations, there is a geographical concentration of risk in the Council's area. Because the area is largely agricultural and mining.

Ageing of past due receivables and the amount of any impairment is disclosed in the following table:

	2013	2012
	$	$
Not past due	16,227,707	11,061,187
Past due 31-60 days	782,294	1,131,898
Past due 61-90 days	135,035	285,812
More than 90 days	7,626,861	15,949,832
Impaired	1,939,854	1,530,535
Total	26,711,751	29,959,264

Council does not generally impair any rate receivables however due to ownership complexities on a particular property Council elected in 2010 to recognise a provision for impairment of debt which currently amounts to $1,874,645 (2012: $1,503,932).

Liquidity risk
Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Mackay Regional Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC and other financial institutions.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in note 18.

The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual cash flows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	$	$	$	$	$
2013					
Trade and other payables	29,697,858	-	-	29,697,858	-
Loans - QTC	24,053,100	92,681,543	239,581,795	356,316,438	229,783,257
Loans - DLGCRR	308,000	1,232,000	924,000	2,464,000	2,464,000
	54,058,958	93,913,543	240,505,795	388,478,296	232,247,257
2012					
Trade and other payables	27,507,373	-	-	27,507,373	-
Loans - QTC	21,992,105	84,811,975	219,525,387	326,329,467	206,971,221
Loans - DLGCRR	-	2,772,000	-	2,772,000	2,772,000
	49,499,478	87,583,975	219,525,387	356,608,840	209,743,221

The outflows in the above table are not expected to occur significantly earlier or for significantly different amounts than indicated in the table.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest rate risk

Mackay Regional Council is exposed to interest rate risk through investments and borrowings with QTC.

The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	Net carrying amount	Profit or loss		Equity	
		1% increase	1% decrease	1% increase	1% decrease
	$	$	$	$	$
2013					
QTC cash fund	157,247,421	1,572,474	(1,572,474)	1,572,474	(1,572,474)
Loans - QTC	229,783,257	2,297,833	(2,297,833)	2,297,833	(2,297,833)
Loans - DLGCRR	2,464,000	-	-	-	-
Net total	389,494,678	3,870,307	(3,870,307)	3,870,307	(3,870,307)
2012					
QTC cash fund	165,716,407	1,657,164	(1,657,164)	1,657,164	(1,657,164)
Loans - QTC	206,971,221	2,069,712	(2,069,712)	2,069,712	(2,069,712)
Loans - DLGCRR	2,772,000	-	-	-	-
Net total	375,459,628	3,726,876	(3,726,876)	3,726,876	(3,726,876)

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

In relation to the QTC loans held by the Council, the following combination has been applied:

QTC Generic Debt Pool - the generic debt pool products approximate a fixed rate loan. There is a negligible impact on interest sensitivity from changes in interest rates for generic debt pool borrowings.

QTC Client Specific Pool - client specific pool products are often rebalanced to a target benchmark duration. This partially exposes clients to the level of interest rates at the time of rebalancing. Sensitivity on these products is provided by QTC through calculating the interest effect over the period.

Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is disclosed in note 18.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.

		2013		2012	
	Note	Carrying amount	Fair value	Carrying amount	Fair value
Consolidated		$	$	$	$
Financial assets					
QTC cash fund	10	157,247,421	157,247,421	165,716,407	165,716,407
		157,247,421	157,247,421	165,716,407	165,716,407
Financial liabilities					
Loans - QTC	18	229,783,257	247,107,512	206,971,221	229,128,335
Loans - DLGCRR	18	2,464,000	2,464,000	2,772,000	2,772,000
		232,247,257	249,571,512	209,743,221	231,900,335

QAO certified statements

Page 46

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

29 National competition policy

Business activities to which the code of competitive conduct is applied

Mackay Regional Council applies the competitve code of conduct to the following activities:
- Water and Waste Water
- Waste Services

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred if the primary objective of the activities was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

Details of community service obligations are:

Activities	CSO description	Actual
		$
Water and Waste Water	In terms of Policy No. 006 - "Community Services Obligations" Council will provide a CSO for Rebates to Community/Sporting Bodies and a revenue supplement to offset tax equivalents.	134,818
Waste Services	In terms of Policy No. 006 - "Community Services Obligations" Council will provide a CSO for Rebates to Community/Sporting Bodies and a revenue supplement to offset tax equivalents.	28,408

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

29 National competition policy (continued)

The Council has resolved to commercialise the following significant business activities:

Water and Waste Water	2013 Actual $	2012 Actual $
Operating revenue		
Rates and utility charges	80,285,378	73,410,297
Less: discounts and remissions	(5,210,240)	(4,746,945)
Fees and charges	4,361,781	3,634,348
Sales contract and recoverable work	4,187,126	3,207,893
Interest received	3,406,029	3,157,943
Other recurrent income	118,028	126,184
Community service obligations	134,818	130,892
Internal transfers	1,203,024	1,210,801
	88,485,944	80,131,413
Less: operating expenses		
Employee benefits	13,212,324	11,995,040
Materials and services	22,073,643	17,874,973
Finance costs	5,834,183	5,211,769
Depreciation and amortisation	18,201,269	14,936,783
Transfer from capital (loss on disposal of assets)	4,326,880	2,857,695
Competitive neutrality costs	6,404,651	6,218,108
Internal transfers	3,120,289	3,027,251
	73,173,239	62,121,619
Less: transfers		
Transfer from capital (loss on disposal of assets)	(4,326,880)	(2,857,695)
Retained (surplus) / deficit brought forward from prior year	(9,726,234)	(4,026,604)
Transfer to capital (general revenue expended)	2,180,900	3,272,822
Inter-function dividends and return on capital	6,092,104	5,914,664
Transfer from reserves	(416,325)	(621,819)
Transfers to reserves	13,848,276	6,602,192
	7,651,841	8,283,560
Operating surplus / (deficit)	7,660,864	9,726,234

QAO certified statements

MACKAY REGIONAL COUNCIL

Notes to the Financial Statements
For the year ended 30 June 2013

29 National competition policy (continued)

Waste Services	2013 Actual $	2012 Actual $
Operating revenue		
Rates and utility charges	19,525,635	17,085,433
Less: discounts and remissions	(1,057,960)	(983,625)
Fees and charges	9,656,249	8,390,459
Sales contract and recoverable work	-	1,303
Interest received	480,447	581,650
Other recurrent income	346,859	332,618
Community service obligations	28,408	27,580
Internal transfers	485,223	273,706
	29,464,861	25,709,124
Less: operating expenses		
Employee benefits	1,429,925	1,223,387
Materials and services	9,771,792	16,116,416
Finance costs	1,770,920	2,102,307
Depreciation and amortisation	291,012	1,613,172
Transfer from capital (loss on disposal of assets)	3,149,597	-
Competitive neutrality costs	554,209	538,067
Internal transfers	386,432	281,139
	17,353,887	21,874,488
Less: transfers		
Transfer from capital (loss on disposal of assets)	(3,149,597)	-
Retained (surplus) / deficit brought forward from prior year	(1,819,774)	(2,689,284)
Transfer to capital (general revenue expended)	8,197,036	22,971
Inter-function dividends and return on capital	359,884	349,402
Transfer from reserves	(224,625)	-
Transfers to reserves	7,306,010	4,331,773
	10,668,934	2,014,862
Operating surplus / (deficit)	1,442,040	1,819,774

QAO certified statements

MACKAY REGIONAL COUNCIL

Financial Statements
For the year ended 30 June 2013

Management certificate
For the year ended 30 June 2013

These general purpose financial statements have been prepared pursuant to Section 176 and 177 of the Local Government Regulation 2012 (the Regulation) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation we certify that :

(i) the prescribed requirements of the Local Government Act 2009 and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the general purpose financial statements, as set out on pages 1 to 49, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's and the consolidated entity's transactions for the financial year and financial position at the end of the year.

Mayor
Deirdre Comerford

Date: 25/10/13

Chief Executive Officer
Barry Omundson

Date: 25/10/13

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Mackay Regional Council

Report on the Financial Report

I have audited the accompanying financial report of Mackay Regional Council, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government Regulation 2012*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion -

(i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Mackay Regional Council for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

P FLEMMING CPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

MACKAY REGIONAL COUNCIL

Current-year Financial Sustainability Statement
For the year ended 30 June 2013

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Council's performance at 30 June 2013 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-3%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	86%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	43%	Not greater than 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2013.

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MACKAY REGIONAL COUNCIL

Current-year Financial Sustainability Statement
For the year ended 30 June 2013

Certificate of Accuracy
For the year ended 30 June 2013

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012.

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Mayor
Deirdre Comerford

Date: 25/10/13

Chief Executive Officer
Barry Omundson

Date: 25/10/13

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Mackay Regional Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Mackay Regional Council for the year ended 30 June 2013, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Current-Year Financial Sustainability Statement

The Council is responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the *Local Government Regulation 2012*. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the current-year financial sustainability statement based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards,* which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Mackay Regional Council, for the year ended 30 June 2013, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

Other Matters - Electronic Presentation of the Audited Statement

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

QUEENSLAND
31 OCT 2013
AUDIT OFFICE

P FLEMMING CPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

MACKAY REGIONAL COUNCIL

Current-year Financial Sustainability Statement
For the year ended 30 June 2013

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2013	30 June 2014	30 June 2015	30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Council												
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-3%	5%	5%	6%	8%	9%	10%	9%	10%	12%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	86%	126%	109%	81%	102%	114%	78%	65%	92%	81%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	43%	75%	67%	60%	60%	64%	91%	96%	90%	84%

Mackay Regional Council's Financial Management Strategy

Operating Surplus Ratio

Council's forecast operating surplus ratio is within the benchmark set by DLG for the first seven years of the forecast period and slightly exceeds the benchmark in the last three years. This shows Council is in a strong financial position and Council's continuing commitment to fund additional capital expenditure. It should be acknowledged that the last three years exceed the target range due to the large capital investment required to meet additional infrastructure to cater for the State Government population projections

Asset Sustainability Ratio

The above ratio is calculated based on the planned capital expenditure on the renewal of assets included in Council's Long Term Financial Forecast Council is confident that this expenditure contributes to asset replacement and renewal for the forecast period with information currently at hand. Further work on Council's asset management plans and regional sustainability strategy will improve Council's ability to make informed decisions regarding asset management into the future

Net Financial Liabilities Ratio

This ratio is reflective of Council's effort to cope with infrastructure demands associated with high levels of sustained growth. In order to address affordability issues and ensure intergenerational equity, Council has and will use loan funds to manage impacts of necessary major capital investment. Council's increased debt levels are also reflective of the loss of significant water and sewerage subsidies. Despite exceeding the desired target, Council remains confident in meeting its financial liabilities over the long term whilst also taking the opportunity to review results arising from the regional sustainability strategy currently underway.

9. CONSIDERATION OF COMMITTEE REPORTS:

9.1 DRAFT MINUTES MACKAY MATSUURA SISTER CITY ADVISORY COMMITTEE

Author Manager Community Programs

Purpose

Attached is a copy of the draft minutes of the Mackay Matsuura Sister City Advisory Committee meeting held 28 October 2013, for information purposes.

Operational Plan Linkage

Corporate objective 1: Encourage the building of strong networks across the region where people can interact socially and safely through sport, recreation, cultural life and the arts.

Officer's Recommendation

THAT the minutes of the Mackay Matsuura Sister City Advisory Committee of 28 October 2013 be received.

Attachments

1. Mackay Matsuura Sister City Advisory Committee minutes 28/10/2013

MACKAY MATSUURA SISTER CITY ADVISORY COMMITTEE
Monday 28 October 2013 at 5.00 pm – The London Room
MINUTES

ATTENDANCE: Cr Alison Jones (Chair); Cr Dave Perkins; Lawrence Booth; Robert Ryan; Margaret Browne; Bill Molloy; Karen Hurford; Aki Doolan; Virginia Flynn; Shona Norris; Kathryn Smith; Brigette Abbey (part)

APOLOGIES: Naoko Kaneda

Cr Jones introduced Lawrence Booth, Manager Community Programs, who has now taken over management of the sister city relationship, following Jan Kilbourne's retirement.

Cr Jones introduced Brigette Abbey who was a chaperone on this year's scholarship program - Brigette attended the first part of this meeting to give feedback.

1. **Scholarship 2013 debrief**
   - Feedback from Chaperones - Brigette Abbey
     Brigette thanked the committee and Mackay Regional Council for the opportunity to go on the trip as chaperone. Brigette gave some feedback.
     - There were no major problems and generally the group were good and worked well with the two chaperones.
     - As Brigette does not speak Japanese, Aki did all the language side of things and Brigette did the discipline/welfare things.
     - A highlight was the chaperones being invited to sit on the judging panel for the Bill Molloy Speech Contest. This was a formal event and a wonderful experience.
     - The Matsuura homestay was outstanding. Brigette has visited Japan previously but the homestay made this trip significant.
     - Matsuura had requested the group stay in Matsuura an extra night and this was arranged with the travel agent prior to departure with no problem, however it caused an issue in that the group were not able to takybin their luggage (as has been done in previous years) and it was stressful taking luggage on the train.
     - Logistically no problems and appreciated having the urban experience as well as the different lifestyle in Matsuura – overall a great cultural experience.
     - The visit to Tokyo was a good experience and Disneyland was worthwhile – though it was noted this was during public holidays in Japan and very busy - this was a good ice breaker at the commencement of the trip.
     - Visiting Kyoto was also worthwhile – 3 nights instead of 2 would be good if possible.
     - Some issues with luggage re size and weight allowances not being the same with each airline. However it was noted the students should not be encouraged to pack too much.
     - Generally the peer structure was good.
     - Suggestions re interview process – maybe as well as the individual interviews, also have a group session to observe students' interaction.
     - It was beneficial for the students who had hosted Matsuura students on their visit here in August and felt those who had not, missed out to some extent.

     Brigette was thanked for her feedback which will be useful when planning future trips. Thank you letters have been sent to the chaperones.

2. **Minutes of previous meeting**
   The minutes of the meeting held 2 September 2013 were accepted with an amendment to an error in the attendance list – Karen Hurford was not listed as attending but did attend the meeting. Also a couple of spelling mistakes were noted.

3. **Matters arising**
To be addressed under agenda items.

4. **Scholarship Program 2014**

- **Planning for the 2014 Scholarship Program**
Applications are now open and planning underway. The closing date for applications is 15 November.

- **Promotion**
It would be useful for visits to be made to the schools to talk about the program. Cr Perkins suggested a cd may be compiled with photos from recent student trips. Information has been sent to all schools and Corporate Communications have placed this on the website / Facebook.
Action: Kathryn to forward Cr Perkins the presentation put together by a student on last year's scholarship trip.

- **Interview / selection process**
Discussion took place and it was agreed it would be beneficial to include some group activities and experiential exercises in the student interview process – maybe a group interview. Some committee members felt the chaperones should be on the panel but others felt not. It was agreed the interview panel for both students and chaperones should be: Cr Alison Jones; Lawrence Booth; and either Karen Hurford or Margaret Browne (depending on availability for the interview times/dates).
Action: Shona/Kathryn arrange interviews once applications are in.

5. **Sister City Relationship – Review**
Lawrence Booth explained that a review of the sister city relationship will shortly commence. Next year will mark 25 years since our relationship with Matsuura began and it is felt it is timely to review the structure of the relationship, the exchange of visits and activities, are we meeting the aims of the relationship, etc. Once the review process is in place the committee will be contacted and there will be wide consultation. Committee members' input will be valuable and appreciated.

6. **2013 Mackay Region Citizens' tour to Matsuura**

- **Update**
Cultural sessions are taking place weekly and the group are very enthusiastic and excited as their departure date grows closer. Margaret, Karen and Aki were thanked for the great work they are doing in explaining the culture / language to the tour group.

- **The Stick**
Carl Blythe who created the stick has come up with a solution to the problem and has removed the screws and has instead stuck the metal labels on to the stick. These are holding well and in future when the metal tags are engraved it will be noted to use a strong glue and not to try and screw into the wood.
Action: Cr Jones to take the stick on the trip to Matsuura.

7. **2014 Visit by Matsuura Citizens**

- **Proposed Dates**
Matsuura have asked which would be the best month for their citizens to visit our region in 2014 and Matsuura have suggested July, October or November. Currently checking dates with the Mayor.

- **Gift for the Friendship Association**

The suggestion for a local craftsman to create a jigsaw of a local scene has been followed up and the proposed gift was shown to the committee who were happy with this.
Action: The gift to be shown to the Mayor for consideration

- **Gift for Matsuura City**
  Cr Jones showed a picture of a possible gift from Eungella and the committee thought this was a good idea.
  Action: The committee to give further thought to gifts.

8. **Sister Cities Mackay**
Margaret explained that a formal meeting had not taken place since the last advisory meeting and an update will be given at the next meeting.

9. **Any other business**

9.1 **Soroptomomists International**
Cr Jones had been asked by this group whether there are any similar groups in Matsuura, eg professional women who do fund raising for charities. The committee is aware that Rotary is strong in Japan, including Matsuura, and that BPW (Business Professional Women) may exist in the larger cities but not sure about Matsuura.
Action: Kathryn to ask Junko

9.2 **Australia-Japan**
Cr Perkins has been in discussions with the Department of State Development, Infrastructure and Planning in connection with possible investment in our region. One of their trade commissioners is based in Fukuoka, which is quite close to Matsuura, and Cr Perkins has raised how we could get coal from our region to Matsuura. We have a fantastic cultural relationship with Matsuura but we also need to develop an economic component as well. Matsuura is a port city and has two coal-fired power stations with the majority of coal from Australia coming from Newcastle. Cr Perkins is keen to pursue the Hay Point option.

9.3 **Speech Contest**
Margaret asked the committee to consider starting up a speech competition similar to the Bill Molloy Cup which started began in Matsuura about two years ago and is now an annual event. The committee felt this would be a great idea and suggested it is discussed further.
Action: To be kept on the agenda for further discussion.
The Committee to bring suggestions to the next meeting.

9.4 **Publicity re student exchanges for inclusion in the Consul newsletter**
Karen suggested a write up could be sent to the Consul.
Action: Kathryn to follow up on this.

10. **Date and time of next meeting**
Tentatively scheduled for 16 December.

The meeting closed at 6.05 pm.

10. RECEIPT OF PETITIONS:

11. TENDERS:

11.1 MRC 2014-017 PREFERRED SUPPLIER ARRANGEMENTS - ELECTRICAL FITTINGS AND CONSUMABLES

Author Manager Procurement and Plant

Purpose

To present to council for approval tenders received for MRC 2014-017 Preferred Supplier Arrangement – Electrical Fittings and Consumables, in accordance with *Section 233 of the Local Government Regulation 2012.*

Operational Plan Linkage

The awarding of this tender assists in the completion of Strategies:

7.2.3 - Tenders issued in accordance with tender contracts manual in a timely manner.

7.15.2 - Identification of high use goods and services for inclusion in future tenders.

Background/Discussion

Preferred Supplier Arrangements have proven to be a cost-effective means of supplying high usage goods utilised by council's departments due to negating the requirements for quotes to be obtained for each purchase. The tendered prices are for items Free into Store (FIS) which provide emergency and programmed supply to all Council Departments.

Considerable delays to operational activities would be incurred if quotes were to be obtained in each instance, as stipulated under the *Local Government Regulation 2012*. In order to gain cost efficiency and competitive market rates due to the economies of scale achieved by aggregating demand, council issued the Request for Tender MRC 2014-017 Preferred Supplier Arrangements – Electrical Fittings and Consumables.

The current Preferred Supplier Arrangement (PSA) expires on the 30 November 2013. The proposed commencement date for this contract is the 1st December 2013, for a 24 month term.

The contract provides for rise and fall for the schedule of rates after each 12 month period, subject to council's approval on the presentation of supporting evidence.

Tenders were invited on the 24 August 2013, via council's website and advertised locally in the Daily Mercury seeking submissions for the Supply and Delivery of Electrical Fittings and Consumables.

The following responses were received by the closing date of 17 September 2013:

Battery World Mackay - Queensland based with Mackay Branch
J Blackwood & Sons Pty Ltd - Queensland based with Mackay Branch
CNW Pty Ltd - Queensland based with Mackay Branch
Hayman Electrical and Data Suppliers - Queensland based with Mackay Branch
Ideal Electrical Suppliers Pty Ltd - Queensland based with Mackay Branch
L & H Group - Queensland based with Mackay Branch
Rexel Electrical Suppliers Pty Ltd - Queensland based with Mackay Branch
Sherriff Electrical Wholesaler Pty Ltd - Queensland based with Mackay Branch

An initial compliance check was conducted by the evaluation panel on 17 October 2013 to identify conforming submissions. This included compliance with contractual requirements and provision of requested information.

Battery World Mackay and J Blackwood & Sons Pty Ltd were considered non-conforming as they did not supply prices for all items, as stipulated in the Request for Tender (RFT) documentation.

All other submissions were progressed through to the qualitative criteria assessment on the basis that all terms and conditions and mandatory requirements of the RFT were met.

The submissions were assessed against the qualitative selection criteria. Relative weightings were published with the RFT.

Sherriff Electrical Wholesaler Pty Ltd and CNW Pty Ltd submitted conforming tenders as well as an alternative joint tender as allowed under the Conditions of Tender. The alternative tender offered supply and servicing by both Sherriff Electrical Wholesaler Pty Ltd and CNW Pty Ltd Mackay Branches. Prices submitted for the alternative tender are identical to those submitted by Sherriff Electrical Wholesaler Pty Ltd and CNW Pty Ltd.

Tender Information Requests (TIR) were issued to the Sherriff Electrical Wholesaler Pty Ltd and CNW Pty Ltd verifying details of the combined tender submission. All TIR's were replied to within the relevant timeframe with responses being review by the evaluation panel.

In evaluating the conforming submissions received, the evaluation panel considered:

Value for Money - 90%
Local Content - 10%

The evaluation of the tender was conducted by:

Leading Hand Electrician - Parks and Environment
Electrician - Parks and Environment
Electrical Fitter Mechanic - Parks and Environment
Team Leader Electrician - Water Network
Supply Co-ordinator - Procurement and Plant
Contracts Officer - Procurement and Plant

Consultation and Communication

Prior to releasing the Request for Tender, all operational branches were consulted to ensure all requirements were specified in the tender documentation.

Resource Implications

The Preferred Suppliers Arrangement for the Supply and Delivery of Electrical Fittings and Consumables contract is a schedule of rates contract, which is utilised on an as required basis, and funding is to be provided form the relevant department budgets.

Based on the estimated usage as detailed in the tender documents and utilising the rates of the recommended provider, the contract has the potential value of approximately $96,206.91 excluding GST for the 24 month period.

The comparison of rates between the current contract provider and the recommended provider tendered schedule of rates indicates a decrease of 16.5 precent.

Risk Management Implications

The conditions of contract provide sufficient remedies to council based on the risk profile of the goods being provided.

The recommended respondents are required to provide all relevant insurance and compliances prior to the executing of their contracts. This includes:

Product Liability - $20,000,000.00
Public Liability - $20,000,000.00
Workcover - As required by law
Technical Information Sheets - As requested

Conclusion

It is recommended that MRC 2014-017 Preferred Supplier Arrangements – Electrical Fittings and Consumables for a 24 month period with the option of a 12 month extension together with the availability for the provision of rise and fall after each 12 months period be awarded to the alternative combined tender of Sherriff Electrical Wholesalers Pty Ltd and CNW Pty Ltd.

Officer's Recommendation

> THAT Council award tender MRC 2014-017 Preferred Supplier Arrangements – Electrical Fitting and Consumables be awarded to Sherriff Electrical Wholesalers Pty Ltd and CNW Pty Ltd combined tender for a 24 month period with the option of a 12 month extension together with the availability for the provision of rise and fall after each 12 month period.

12. CONSIDERATION OF NOTIFIED MOTIONS

13. LATE BUSINESS:

14. PUBLIC PARTICIPATION:

15. CONFIDENTIAL REPORTS:

16. MEETING CLOSURE

17. FOR INFORMATION ONLY

17.1 DEVELOPMENT APPLICATION INFORMATION - 04.11.13 TO 10.11.13

For Council Information Only - No Decision Required.

Development Applications Received

App no	Code / Impact	Address	Applicant	Description	Officer
CAC-2010-192	Code	219 Anzac Avenue, MARIAN	Tipalea Property Fund No 11 Pty Ltd	Request to Change Development Approval - Preliminary Approval to vary the effect of the Planning Scheme under s242 of the Sustainable Planning Act 2009 (to facilitate development in accordance with the Commercial and Residential Zone as shown on Plan of Development 10NQ044 and amend the levels of assessment to reflect Table 3.1) and Material Change of Use Development Permit for Shops/Shopping Centre and Health Care Centre (comprising a 3,200m2 Supermarket and 1,500m2 Shops/Health Care Centre)	Kathryn Goodman
CON-2010-79		1397 Hay Point Road, HAY POINT	BM Alliance Coal Operations Pty Ltd	Request for Change of Condition - Expansion of Hay Point Coal Terminal (HPX3)	Shane Kleve
CON-2013-262		11/3 Mango Avenue, EIMEO	Bush & Beach Homes	Building Work - Boundary Setback for Dwelling House	Andrea McPherson
MCUC-2013-363	Code	88 Scott Street, SOUTH MACKAY	George C Thompson	Dwelling House (Aviation Facilities Buffer).	Josephine McCann

App no	Code / Impact	Address	Applicant	Description	Officer
MCUC-2013-381	Code	15 Stephanie Court, GLENELLA	Allison C Bekker	Home-Based Business (Beauty Services)	Helle Jorgensen Smith
MCUC-2013-382	Code	L 7 Royston Park Drive, KUTTABUL	Robert J Stibbards and Jennifer M Smith	Residential Storage Shed & Carport (>85m2 & Steep Land Overlay)	Kathryn Goodman
MCUC-2013-384	Code	L 6 Nilssons Road, TE KOWAI	David G Bezzina and Margaret J Bezzina and Sharyn M Vassallo and others	Dwelling House (Flood & Inundation Overlay) & Caretakers' Residence	Kathryn Goodman
MCUC-2013-385	Code	14 Sadlier Street, WALKERSTON	Sandsky Developments	Dual Occupancy	Darryl Bibay
MCUC-2013-386	Code	8 Sadlier Street, WALKERSTON	Sandsky Developments	Dual Occupancy	Darryl Bibay
MCUC-2013-388	Code	3 Sunset Drive, ERAKALA	Michele Y Thornton and Neale S Thornton	Residential Storage Shed Exceeding 85m2 on a Rural Residential Lot.	Josephine McCann
MCUC-2013-390	Code	L 82 Carranya Road, HABANA	The Shed Company Mackay	Residential Storage Shed (Steep Land Overlay)	
MCUCD-2009-113	Code	30 Byron Street, MACKAY	Blackwater Venture Pty Ltd	Request For a Permissible Change - 8 Multiple Dwelling Units in the Flood & Inundation Overlay	Julie Brook
ROLC-2013-383	Code	23 Bernborough Avenue, OORALEA	Kylie M Bennett and Tony J Bennett	1 Rural Residential Lot into 2 Lots	Andrea McPherson
ROLC-2013-391	Code	L 1 Mackay-Eungella Road, NETHERDALE	Craig B Holmes and Lisa M Roebig-Holmes	Boundary Realignment 2 Rural Lots into 2 Lots	

Development Applications Entering Decision Making Period

App Number	Code / Impact	Address	Applicant	Description	Officer
MCUC-2013-314	Code	73 Wood Street MACKAY	Harphil Pty Ltd	Commercial Premises (Extension of Existing Building)	Helle Jorgensen Smith
MCUC-2013-357	Code	25 Montys Place NORTH MACKAY	Gemini Homes (QLD) Pty Ltd	Dwelling House (Flood & Inundation Overlay)	Darryl Bibay
MCUC-2013-370	Code	35 Avalon Drive RURAL VIEW	Sandsky Developments	Dual Occupancy	Matthew Ingram
MCUC-2013-378	Code	21 Catherine Street GREENMOUNT	Sandsky Developments	Dual Occupancy	Andrea McPherson

Development Applications Finalised

App No	Code / Impact	Location	Applicant	Description	Officer
Approved Subject to Conditions					
CON-ASPA-2013/254		14 Michael Moohin DriveSLADE POINT QLD 4740	Whitsunday Design & Drafting	Building Work - Boundary Setback for Carport	Andrea McPherson
MCUC-ASPA-2013/367	Code	34 Wright RoadGRASSTREE BEACH QLD 4740	Mervyn G Hopes and Sandra M Hopes	Outbuilding	Andrea McPherson
MCUCD-IDAS-2007/286C	Code	70-90 Beaconsfield Road EastANDERGROVE QLD 4740	Andergrove Lakes Pty Ltd	Request for Permissible Change - Material Change of Use - Preliminary Approval for a proposed development generally consistent with the Preliminary Structure Plan and the Site Plan including:-i) Integrated Tourist Facility comprising two (2) Cable Water Ski Parks with ancillary Ski	Julie Brook

App No	Code / Impact	Location	Applicant	Description	Officer
				Lodges, Motel, Villas and Apartments, Backpacker Resort, Restaurants and Shops;ii) Residential Purposes including standard dwelling houses on separate lots at a density commensurate with that sought by the Planning Scheme for the Urban Residential Zone, and terraced dwellings and high density units at an overall density commensurate with that sought by the Planning Scheme for the Higher Density Residential Zone;iii) Commercial purposes including local shops, medical centre, gym and offices;TOiii) Commercial purposes (6,000m2) including local shops, medical centre, gym, service station, catering shop and offices;iv) Child Care Centre Plus Overriding the Planning Scheme so development relating to the proposed concept is regulated as if the land is located in the Special Activities (Tourism) Zone for the Integrated Tourism Facility component, the Urban Residential for the standard residential component; the Higher Density Residential Zone for the terraced dwellings and High Density Residential components; and the Commercial Zone for the local shops, gym, medical centre and offices; and no overlays apply in certain circumstances as detailed in Conditions of Approval..	
MCUI-ASPA-2013/219	Impact	L 50 Makybe Diva DriveOORALEA QLD 4740	Sandsky Developments	Multiple Dwelling Units (5)	Matthew Ingram
ROLC-ASPA-2011/265A	Code	L 6 Munbura RoadMUNBURA QLD 4740	Charles G Bartolo	Request to Extend Relevant Period - 1 Rural Lot into 2 Lots	Josephine McCann
ROLC-ASPA-2013/203	Code	L 2 Milton StreetPAGET QLD 4740	Mackay Brothers Football Club Inc	Boundary Realignment 1 Open Space lot and 1 Rural Lot to 2 Lots	Leah Harris
ROLC-ASPA-2013/256	Code	66 Apsley WayANDERGROVE QLD 4740	Dzemal Solo	Reconfiguration of a Lot (boundary realignment) - 2 Rural Residential Lots into 2 Lots	Brogan Jones

APPENDIX / ATTACHMENTS